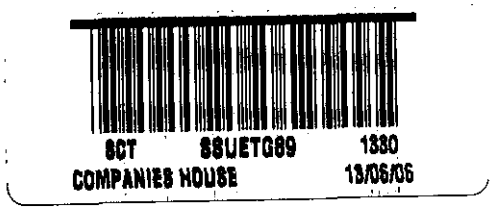
Company Registration No. SC271981 (Scotland)

KAPITAL ASSETS LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2005



KAPITAL ASSETS LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	2005 £	£
Fixed assets			
Tangible assets	2		8,527
Investments	2		123,771
			132,298
Current assets			
Stocks		198,509	
Debtors		29,291	
Cash at bank and in hand		435	
		228,235	
Creditors: amounts falling due within one year		(323,815)	
Net current liabilities			(95,580)
Total assets less current liabilities			36,718
Capital and reserves			
Called up share capital	3		1
Revaluation reserve			123,770
Profit and loss account			(87,053)
Shareholders' funds			36,718

In preparing these abbreviated accounts:

(a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The director acknowledges his responsibilities for:

(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 Board on 13/6/2006

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Keith Punler

Director

KAPITAL ASSETS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company relies on support provided by the director in the form of loans.

This support will continue for at least 12 months from the date that the financial statements were approved, to enable the company to continue to trade and meet its liabilities as they fall due.

On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of these loans.

1.2 *Compliance with accounting standards*

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% Straight Line
Computer equipment	33% Straight Line

1.4 Investments

Fixed asset investments in subsidiaries are valued at the underlying net asset value of the subsidiary undertaking.

1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
Cost or valuation			
At 13 August 2004	-	-	-
Additions	11,509	1	11,510
Revaluation	-	123,770	123,770
At 31 December 2005	11,509	123,771	135,280
Depreciation			
At 13 August 2004	-	-	-
Charge for the period	2,982	-	2,982
At 31 December 2005	2,982	-	2,982
Net book value			
At 31 December 2005	8,527	123,771	132,298

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Humbie Village Developments Ltd	Scotland	Ordinary	100.00

The aggregate amount of capital and reserves and the draft results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2005 £	Profit for the year 2005 £
Humbie Village Developments Ltd	Property Development	123,771	123,770

The company's investment represents the cost or valuation of acquisition of 100% of the ordinary share capital in Humbie Village Developments Ltd.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2005

3 Share capital	2005 £
Authorised	
100 Ordinary Shares of £1 each	100
Allotted, called up and fully paid	
1 Ordinary Shares of £1 each	1

On 13 August 2004 1 ordinary share of £1 was issued at par value.

4 Transactions with directors

At the year end the company owed the director £195,479. This is included within other creditors.