

INDIA PROPERTIES LIMITED

FINANCIAL STATEMENTS

30 NOVEMBER 1997

Company Registration Number sco80985

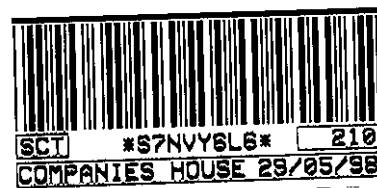
CHARLES BURROWS & CO

Chartered Accountants

7 Palmerston Place

Edinburgh

EH12 5AH



INDIA PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1997

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2
Profit and loss account	3
Balance sheet	4 to 5
Notes to the financial statements	6 to 9

The following pages do not form part of the financial statements

Accountants' report to the directors	11
Detailed profit and loss account	12
Notes to the detailed profit and loss account	13

INDIA PROPERTIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

G W Rule
A J Rule

COMPANY SECRETARY

Angela J Rule

BUSINESS ADDRESS

7 Palmerston Place
Edinburgh
EH12 5AH

REGISTERED OFFICE

7 Palmerston Place
Edinburgh
EH12 5AH

ACCOUNTANTS

Charles Burrows & Co
Chartered Accountants
7 Palmerston Place
Edinburgh
EH12 5AH

INDIA PROPERTIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 1997

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 November 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the furnished letting of tenement property.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

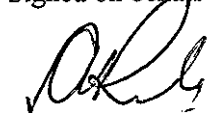
	Ordinary Shares of £1 each	
	At 30 Nov 97	At 1 Dec 96
G W Rule	1	1
A J Rule	<u>1</u>	<u>1</u>

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

Registered office:
7 Palmerston Place
Edinburgh
EH12 5AH

Signed on behalf of the directors



Angela J Rule
Company secretary

Approved by the directors on 23 April 1998

INDIA PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 1997

	Note	1997 £	1996 £
TURNOVER:	2	9,167	10,116
Administrative expenses		(7,470)	(5,443)
OPERATING PROFIT	3	1,697	4,673
Interest payable	5	(1,730)	(1,663)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(33)	3,010
Tax on (loss)/profit on ordinary activities	6	-	(683)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(33)	2,327
Balance brought forward		15,907	13,580
Balance carried forward		15,874	15,907

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 6 to 9 form part of these financial statements.

INDIA PROPERTIES LIMITED

BALANCE SHEET

30 NOVEMBER 1997

		1997		1996	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	7		44,090		44,090
CURRENT ASSETS					
Cash at bank and in hand		-		630	
CREDITORS: Amounts falling due within one year					
	8	(13,345)		(13,687)	
NET CURRENT LIABILITIES			(13,345)		(13,057)
TOTAL ASSETS LESS CURRENT LIABILITIES			30,745		31,033
CREDITORS: Amounts falling due after more than one year					
	9		(14,869)		(15,124)
NET ASSETS			15,876		15,909

The balance sheet continues on the following page.
The notes on pages 6 to 9 form part of these financial statements.

INDIA PROPERTIES LIMITED

BALANCE SHEET *(continued)*

30 NOVEMBER 1997

	Note	1997 £	1996 £
CAPITAL AND RESERVES			
Called-up equity share capital	11	2	2
Profit and loss account		15,874	15,907
SHAREHOLDERS' FUNDS	12	<u>15,876</u>	<u>15,909</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, 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 year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors on the 23 April 1998 and are signed on their behalf by:



G W RULE

The notes on pages 6 to 9 form part of these financial statements.

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings 25% straight line

No depreciation is provided on properties as it is company policy to maintain them so as to extend their useful lives. Costs of repairs and renewals are charged against revenue in the year in which they are incurred.

2. TURNOVER

The turnover and loss before tax are attributable to the principal activity of the company.

3. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Directors' emoluments	<u>-</u>	<u>-</u>

4. PARTICULARS OF EMPLOYEES

The average monthly number of staff employed by the company during the financial year amounted to:

	1997 No.	1996 No.
Number of administrative staff	<u>1</u>	<u>1</u>

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1997

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	1997 £	1996 £
Wages and salaries	-	520
Social security costs	-	-
	<u>-</u>	<u>520</u>

5. INTEREST PAYABLE

	1997 £	1996 £
Interest payable on bank borrowing	<u>1,730</u>	<u>1,663</u>

6. TAX ON LOSS/PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
In respect of the year:		
Corporation tax based on the results for the year at 24% (1996 - 24%)	-	692
Adjustment in respect of previous years:		
Corporation tax	-	(9)
	<u>-</u>	<u>683</u>

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1997

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Total £
COST			
At 1 December 1996 and 30 November 1997	<u>44,090</u>	<u>6,715</u>	<u>50,805</u>
DEPRECIATION			
At 1 December 1996	-	6,715	6,715
At 30 November 1997	<u>-</u>	<u>6,715</u>	<u>6,715</u>
NET BOOK VALUE			
At 30 November 1997	<u>44,090</u>	-	<u>44,090</u>
At 30 November 1996	<u>44,090</u>	-	<u>44,090</u>

8. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	4,270	2,324
Other creditors including taxation and social security:		
Corporation Tax	19	692
Directors current accounts	<u>6,677</u>	<u>8,516</u>
	6,696	9,208
Accruals and deferred income	<u>2,379</u>	<u>2,155</u>
	<u>13,345</u>	<u>13,687</u>

9. CREDITORS: Amounts falling due after more than one year

	1997 £	1996 £
Bank loans and overdrafts	<u>14,869</u>	<u>15,124</u>

The Bank loans are secured by a Standard Security over one of the companies properties.

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1997

10. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital which is due for repayment as follows:

	1997 £	1996 £
In one year or less, or on demand	4,269	2,325
Between one and two years	2,367	2,325
Between two and five years	4,183	4,013
In five years or more	8,320	8,786
	<u>19,139</u>	<u>17,449</u>

The above liabilities comprise bank loans.

11. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>2</u>	<u>2</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
(Loss)/Profit for the financial year	(33)	2,327
Opening shareholders' equity funds	<u>15,909</u>	<u>13,582</u>
Closing shareholders' equity funds	<u>15,876</u>	<u>15,909</u>