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Charles Burrows & Co

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

INDIA PROPERTIES LIMITED UNAUDITED FINANCIAL STATEMENTS

30 NOVEMBER 2004

COMPANY REGISTRATION NUMBER SCO80985



Alliott
GROUP

A WORLDWIDE NETWORK OF INDEPENDENT FIRMS

INDIA PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2004

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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 2004

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 November 2004.

PRINCIPAL ACTIVITIES

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

THE DIRECTORS AND THEIR INTERESTS IN THE 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 November 2004	At 1 December 2003
G W Rule	50	50
A J Rule	<u>50</u>	<u>50</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).

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
7 Palmerston Place
Edinburgh
EH12 5AH

Signed by order of the directors



ANGELA J RULE
Company Secretary

Approved by the directors on 12 September 2005

INDIA PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2004**

	Note	2004 £	2003 £
TURNOVER		15,971	17,227
Administrative expenses		9,572	10,486
OPERATING PROFIT	2	6,399	6,741
Interest payable and similar charges		1,437	1,712
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,962	5,029
Tax on profit on ordinary activities		—	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		4,962	5,029

The notes on pages 6 to 8 form part of these financial statements.

INDIA PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 NOVEMBER 2004

	2004	2003
	£	£
Profit for the financial year attributable to the shareholders	4,962	5,029
Unrealised profit on revaluation of certain fixed assets	<u>345,027</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u><u>349,989</u></u>	<u><u>5,029</u></u>

The notes on pages 6 to 8 form part of these financial statements.

INDIA PROPERTIES LIMITED

BALANCE SHEET

30 NOVEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	3	399,386	56,015
CREDITORS: Amounts falling due within one year	4	12,218	15,305
TOTAL ASSETS LESS CURRENT LIABILITIES		387,168	40,710
CREDITORS: Amounts falling due after more than one year	5	9,937	13,468
		<u>377,231</u>	<u>27,242</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	100	100
Revaluation reserve	8	345,027	-
Profit and loss account	9	32,104	27,142
SHAREHOLDERS' FUNDS		<u>377,231</u>	<u>27,242</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 financial statements 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 financial statements 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 have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on 12 September 2005 and are signed on their behalf by:

G W RULE



The notes on pages 6 to 8 form part of these financial statements.

INDIA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

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 15% reducing balance

Investment properties

The requirement of the Companies Act 1985 is to depreciate all properties but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	<u>1,656</u>	<u>1,949</u>

INDIA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2004

3. TANGIBLE FIXED ASSETS

	Investment Properties £	Fixtures & Fittings £	Total £
COST OR VALUATION			
At 1 December 2003	44,973	24,158	69,131
Revaluation	345,027	—	345,027
At 30 November 2004	<u>390,000</u>	<u>24,158</u>	<u>414,158</u>
DEPRECIATION			
At 1 December 2003	—	13,116	13,116
Charge for the year	—	1,656	1,656
At 30 November 2004	<u>—</u>	<u>14,772</u>	<u>14,772</u>
NET BOOK VALUE			
At 30 November 2004	<u>390,000</u>	<u>9,386</u>	<u>399,386</u>
At 30 November 2003	<u>44,973</u>	<u>11,042</u>	<u>56,015</u>

4. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	6,168	6,944
Other creditors:		
Directors current accounts	4,240	4,706
Accruals and deferred income	1,810	3,655
	<u>12,218</u>	<u>15,305</u>

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

	2004 £	2003 £
Bank loans and overdrafts	<u>9,937</u>	<u>13,468</u>

The Bank loans are secured by a Standard Security over one of the company's properties.

6. RELATED PARTY TRANSACTIONS

The company was under the control of Mr G W Rule throughout the current and previous year. Mr Rule is the managing director and majority shareholder with his wife.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

INDIA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2004

7. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2004		2003
	No	£	No
	100	100	100
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

8. REVALUATION RESERVE

	2004	2003
	£	£
Revaluation of fixed assets	345,027	—
Balance carried forward	<u>345,027</u>	<u>—</u>

9. PROFIT AND LOSS ACCOUNT

	2004	2003
	£	£
Balance brought forward	27,142	22,113
Retained profit for the financial year	4,962	5,029
Balance carried forward	<u>32,104</u>	<u>27,142</u>