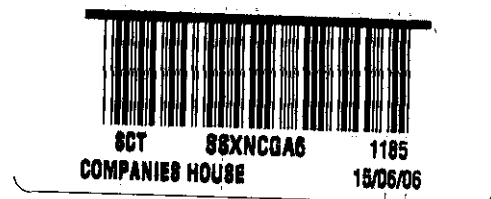


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Charles Burrows & Co

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

INDIA PROPERTIES LIMITED
UNAUDITED FINANCIAL STATEMENTS
30 NOVEMBER 2005
COMPANY REGISTRATION NUMBER SCO80985



INDIA PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2
Profit and loss account	3
Statement of total recognised gains and losses	4
Balance sheet	5 to 6
Notes to the financial statements	7 to 9
The following pages do not form part of the financial statements	
Chartered accountants' report to the board of 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 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 November 2005.

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 2005	At 1 December 2004
G W Rule	48	50
A J Rule	<u>48</u>	<u>50</u>

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 7 June 2006

INDIA PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2005**

	Note	2005 £	2004 £
TURNOVER		20,493	15,971
Administrative expenses		18,942	9,572
OPERATING PROFIT	2	1,551	6,399
Other interest receivable		57	—
Interest payable and similar charges		(7,144)	(1,437)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,536)	4,962
Tax on (loss)/profit on ordinary activities		—	—
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(5,536)</u>	<u>4,962</u>

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

INDIA PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 NOVEMBER 2005

	2005 £	2004 £
(Loss)/Profit for the financial year attributable to the shareholders	(5,536)	4,962
Unrealised profit on revaluation of certain fixed assets	—	345,027
Total gains and losses recognised since the last annual report	<u>(5,536)</u>	<u>349,989</u>

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

INDIA PROPERTIES LIMITED

BALANCE SHEET

30 NOVEMBER 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	3	568,983	399,386
CURRENT ASSETS			
Cash at bank		2,017	—
CREDITORS: Amounts falling due within one year	4	<u>14,305</u>	<u>12,218</u>
NET CURRENT LIABILITIES		(12,288)	(12,218)
TOTAL ASSETS LESS CURRENT LIABILITIES		556,695	387,168
CREDITORS: Amounts falling due after more than one year	5	<u>185,000</u>	<u>9,937</u>
		<u>371,695</u>	<u>377,231</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	100	100
Revaluation reserve		345,027	345,027
Profit and loss account	8	<u>26,568</u>	<u>32,104</u>
SHAREHOLDERS' FUNDS		<u>371,695</u>	<u>377,231</u>

The Balance sheet continues on the following page.

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

INDIA PROPERTIES LIMITED

BALANCE SHEET *(continued)*

30 NOVEMBER 2005

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 7 June 2006 and are signed on their behalf by:



G W RULE

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

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

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:

	2005	2004
	£	£
Directors' emoluments	—	—
Depreciation of owned fixed assets	<u>2,004</u>	<u>1,656</u>

INDIA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2005

3. TANGIBLE FIXED ASSETS

	Investment Properties £	Fixtures and fittings £	Total £
COST OR VALUATION			
At 1 December 2004	390,000	24,158	414,158
Additions	167,126	4,475	171,601
At 30 November 2005	<u>557,126</u>	<u>28,633</u>	<u>585,759</u>
DEPRECIATION			
At 1 December 2004	—	14,772	14,772
Charge for the year	—	2,004	2,004
At 30 November 2005	<u>—</u>	<u>16,776</u>	<u>16,776</u>
NET BOOK VALUE			
At 30 November 2005	<u>557,126</u>	<u>11,857</u>	<u>568,983</u>
At 30 November 2004	<u>390,000</u>	<u>9,386</u>	<u>399,386</u>

4. CREDITORS: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	1,807	6,168
Other creditors:		
Directors current accounts	9,278	4,240
Accruals and deferred income	3,220	1,810
	<u>14,305</u>	<u>12,218</u>

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

	2005 £	2004 £
Bank loans and overdrafts	<u>185,000</u>	<u>9,937</u>

The bank loan and overdraft are secured by a Bond and Floating Charge over the whole assets of the company.

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 2005

7. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

8. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward	32,104	27,142
(Accumulated loss)/retained profit for the financial year	<u>(5,536)</u>	<u>4,962</u>
Balance carried forward	<u>26,568</u>	<u>32,104</u>