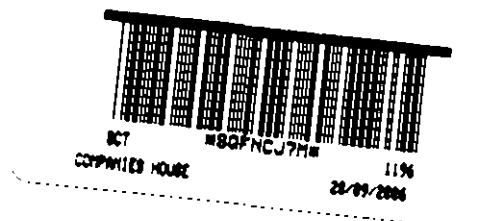


Narden Services Limited

Report and Abbreviated Accounts

30 November 2005

 **ERNST & YOUNG**



Independent auditors' report

to Narden Services Limited pursuant to section 247B of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 30 November 2005 which comprise the Balance Sheet and the related notes 1 to 4, which have been prepared in accordance with applicable United Kingdom law, together with the financial statements of the company for the year ended 30 November 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

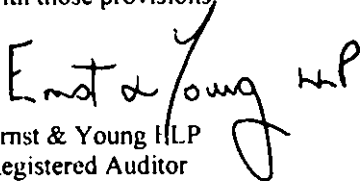
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and 246(6) of the Act, and the abbreviated accounts are properly prepared in accordance with those provisions.


Ernst & Young HLP
Registered Auditor
Inverness

17/8/2006

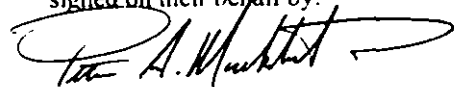
Abbreviated balance sheet

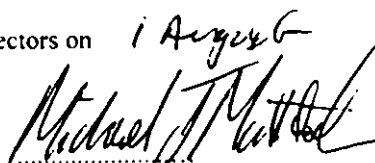
at 30 November 2005

	Notes	2005 £	2004 £
Fixed assets	2		
Tangible assets		3,426	3,807
Investments		3	3
		<u>3,429</u>	<u>3,810</u>
Current assets			
Debtors		1,142,696	1,763,291
Investments		3,000,000	5,000,015
Cash at bank and in hand		2,523,783	335,241
		<u>6,666,479</u>	<u>7,098,547</u>
Creditors: amounts falling due within one year		<u>186,480</u>	<u>854,549</u>
Net current assets		<u>6,479,999</u>	<u>6,243,998</u>
Total assets less current liabilities		<u>6,483,428</u>	<u>6,247,808</u>
Provisions for liabilities and charges		257	199
		<u>6,483,171</u>	<u>6,247,609</u>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		<u>6,483,169</u>	<u>6,247,607</u>
Shareholders' funds		<u>6,483,171</u>	<u>6,247,609</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 1 August 2006 and are signed on their behalf by:


P A Mackintosh
Director


M J Mackintosh
Director

1 August 2006

Notes to the abbreviated accounts

at 30 November 2005

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures & fittings	- 10% reducing balance
Office equipment	- 10% reducing balance

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are old;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Investments

Fixed asset investments are included at cost less an allowance for any permanent diminution in value. Listed current asset investments are stated at the lower of cost and market value, and other current asset investments are stated at the lower of cost and estimated net realisable value.

Turnover

Turnover comprises the invoice value of development services supplied by the company exclusive of VAT. All turnover arises in the United Kingdom and is continuing.

Notes to the abbreviated accounts

at 30 November 2005

2. Fixed assets

	<i>Tangible Assets £</i>	<i>Investments £</i>	<i>Total £</i>
<i>Cost</i>			
At 1 December 2004 and 30 November 2005	<u>7,275</u>	<u>3</u>	<u>7,278</u>
<i>Depreciation</i>			
At 1 December 2004	3,468	-	3,468
Charge for year	<u>381</u>	<u>-</u>	<u>381</u>
At 30 November 2005	<u>3,849</u>	<u>-</u>	<u>3,849</u>
<i>Net book value</i>			
At 30 November 2005	<u>3,426</u>	<u>3</u>	<u>3,429</u>
At 30 November 2004	<u>3,807</u>	<u>3</u>	<u>3,810</u>

The company owns 50% of the issued ordinary share capital of Inverness Retail & Business Park Limited, a company registered in Scotland. During its latest financial period, the year ended 31 May 2005, the accounts of Inverness Retail & Business Park Limited disclose a profit after tax of £3,106,806 (2004 - loss of £225,490) and net assets of £5,129,822 (2004 - £7,722,256).

The company owns 50% of the issued share capital of Inverness Seaford Development Company Limited, a company registered in Scotland. During its latest financial period, the year ended 28 February 2005, the accounts of Inverness Seaford Development Company Limited disclose a profit after tax of £1,439 (2004 - £151,020) and net assets of £461 (2004 - £61,546).

3. Related party transactions

During the year the company invoiced £790,000 and at the year end was entitled to a further £125,000 (2004 - £120,000, and at the year end was entitled to a further £750,000) for development services supplied to Inverness Retail & Business Park Limited in which the company owns 50% of the issued ordinary share capital. The amount due from Inverness Retail & Business Park Limited at 30 November 2005 was £1,079,061 (2004 - £1,704,061).

Included in creditors is a loan from the directors of £138,095 (2004 - £13,892). This loan is interest free and there are no fixed terms for repayment.

4. Share capital

Share capital		2005		Authorised 2004	
		£		£	
Ordinary shares of £1 each		<u>100</u>		<u>100</u>	
		Allotted, called up and fully paid			
		2005		2004	
	No.	£	No.	£	
Ordinary shares of £1 each	2	2	2	2	