

Narden Services Limited

Report and Abbreviated Accounts

30 November 2004

 **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 2004 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 company's financial statements for the year ended 30 November 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company pursuant to Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state 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

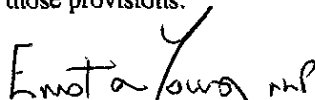
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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

Basis of opinion

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

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

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', with a large, stylized flourish extending from the end.

Ernst & Young LLP
Registered Auditor
Inverness

15/9 2005

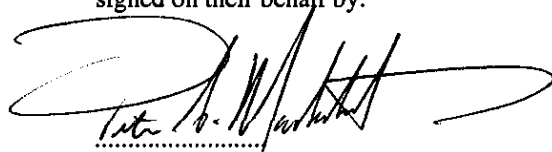
Abbreviated balance sheet

at 30 November 2004

	Notes	2004 £	2003 £
Fixed assets	2		
Tangible assets		3,807	4,230
Investments		3	3
		<u>3,810</u>	<u>4,233</u>
Current assets			
Debtors		1,763,291	990,171
Investments		5,000,015	5,000,015
Cash at bank and in hand		335,241	467,200
		<u>7,098,547</u>	<u>6,457,386</u>
Creditors: amounts falling due within one year		854,549	149,210
		<u>854,549</u>	<u>149,210</u>
Net current assets		6,243,998	6,308,176
		<u>6,243,998</u>	<u>6,308,176</u>
Total assets less current liabilities		6,247,808	6,312,409
		<u>6,247,808</u>	<u>6,312,409</u>
Provisions for liabilities and charges		199	532
		<u>199</u>	<u>532</u>
		6,247,609	6,311,877
		<u>6,247,609</u>	<u>6,311,877</u>
Capital and reserves			
Called-up equity share capital	4	2	2
Profit and loss account		6,247,607	6,311,875
		<u>6,247,607</u>	<u>6,311,875</u>
Shareholders' funds		6,247,609	6,311,877
		<u>6,247,609</u>	<u>6,311,877</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 7th September 2005 and are signed on their behalf by:


P A Mackintosh
Director


M J Mackintosh
Director

7 September 2005

Notes to the abbreviated accounts

at 30 November 2004

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
Motor Vehicles	- 25% reducing balance
Office equipment	- 10% reducing balance

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

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.

Notes to the abbreviated accounts

at 30 November 2004

2. Fixed assets

	<i>Tangible Assets</i> £	<i>Investments</i> £	<i>Total</i> £
<i>Cost</i>			
At 1 December 2003 and 30 November 2004	<u>7,275</u>	<u>3</u>	<u>7,278</u>
<i>Depreciation</i>			
At 1 December 2003	3,045	–	3,045
Charge for year	423	–	423
At 30 November 2004	<u>3,468</u>	<u>–</u>	<u>3,468</u>
<i>Net book value</i>			
At 30 November 2004	<u>3,807</u>	<u>3</u>	<u>3,810</u>
At 30 November 2003	<u>4,230</u>	<u>3</u>	<u>4,233</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 2004, the accounts of Inverness Retail & Business Park Limited disclose a loss after tax of £225,490 (2003 - profit of £6,092,739) and net assets of £7,722,256 (2003 - £2,248,506).

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 2004, the accounts of Inverness Seaford Development Company Limited disclose a retained profit of £151,020 (2003 - retained loss of £38,478) and net assets of £61,546 (2003 - net liabilities of £89,474).

3. Related party transactions

During the year the company invoiced £120,000 (2003 - £120,000), and at the year end was entitled to a further £750,000 (2003 - nil) 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 2004 was £1,704,061 (2003 - £954,061).

Included in creditors is a loan from the directors of £13,892 (2003 - £121,300). This loan is interest free and there are no fixed terms for repayment.

4. Share capital

		<i>Authorised</i>		
		<i>2004</i>	<i>2003</i>	
		<i>£</i>	<i>£</i>	
Ordinary shares of £1 each		<u>100</u>	<u>100</u>	
		<i>Allotted, called up and fully paid</i>		
	<i>2004</i>		<i>2003</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	2	2	2	2