

SUNDIAL PROPERTIES LTD

FINANCIAL STATEMENTS

As at 31 December 2005



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SUNDIAL PROPERTIES LIMITED

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2005.

Principal activities and review of business

The principal activity of the company during the year was that of a holding company. During the year the company received a dividend from its subsidiary undertaking, Sundial Properties (Edinburgh) Limited.

The directors have recommended the following dividends:

	2005 £	2004 £
Dividends paid on ordinary shares	255,643 =====	- =====

Directors and their interests

The directors who served the company during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	2005	2004
A Gray Muir	-	-
A M Gray Muir	-	-

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company for that period. In preparing these financial statements, the directors are required to:

- ❖ select suitable accounting policies and then apply them consistently;
- ❖ make judgements and estimates that are reasonable and prudent;
- ❖ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The company has passed a resolution to dispense with the requirement to re-appoint auditors annually.

BY ORDER OF THE BOARD



ANDREW GRAY MUIR
Secretary

14.9. 2006

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
SUNDIAL PROPERTIES LIMITED**



We have audited the financial statements of Sundial Properties Limited for the year ended 31 December 2005 set out on pages 3 to 6. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chiene & Tait

CHIENE + TAIT
Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

26/9/ 2006

SUNDIAL PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Notes	2005 £	2004 £
Investment income			
Dividend received from subsidiary undertaking		255,643	-
		-----	-----
Profit on ordinary activities before taxation		255,643	-
Tax on profit on ordinary activities	2	-	-
		-----	-----
Profit on ordinary activities after taxation		255,643	-
Dividends		(255,643)	-
		-----	-----
Retained profit for the financial year		-	-
		=====	=====

The notes on pages 5 and 6 form part of these financial statements.

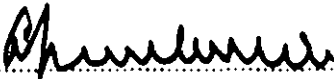
SUNDIAL PROPERTIES LTD

BALANCE SHEET

As at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments in related undertakings	3	107	107
Creditors: amounts falling due within one year	4	96	96
Total assets less current liabilities		11	11
		=====	=====
Capital and reserves			
Called up share capital	5	11	11
		=====	=====

Approved by the Board on 14.9.2006

.....  Director
A. Gray Muir

SUNDIAL PROPERTIES LTD

NOTES to the BALANCE SHEET

As at 31 December 2005

1. Accounting policies

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2. Tax on profit on ordinary activities

(a) Analysis of charge in the year	2005 £	2004 £
Current tax:		
In respect of the year:		
UK corporation tax based on the results for the year	-	-
	-----	-----
Tax on profit on ordinary activities	-	-
	=====	=====

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005 £	2004 £
Profit on ordinary activities before taxation	255,643	-
	=====	=====
Profit on ordinary activities by rate of tax	48,572	-
UK dividends received not subject to tax	(48,572)	-
	-----	-----
Total current tax (note 2(a))	-	-
	=====	=====

3. Fixed assets

The subsidiary undertaking of Sundial Properties Ltd and related investments are as follows:

	Nature of Business	Incorporated	Ordinary shares %	Value £
Sundial Properties (Edinburgh) - Unlimited	Non-trading	Scotland	100	106
Sundial Properties (Gilmerton) Limited	Launderette operator and property investment and development	Scotland	-	1

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group financial statements.

SUNDIAL PROPERTIES LTD

NOTES to the BALANCE SHEET

As at 31 December 2005

3. Fixed assets (Contd.)

The aggregate amount of capital and reserves and the results of the subsidiary undertaking for the last relevant financial year were as follows:

	Capital and Reserves £	Profit for the Year £
Sundial Properties (Edinburgh)	1,145,617	-
	=====	=====

The company did not trade throughout the year.

4. Creditors

	2005 £	2004 £
Due to directors	96	96
	=====	=====

5. Called up share capital

	2005 £	2004 £
Authorised		
1,000 shares of 10p each	100	100
	=====	=====
Allotted, called up and fully paid		
106 shares of 10p each	11	11
	=====	=====

6. Reconciliation of movement in shareholders' funds

Profit for the financial year	-	-
Opening shareholders' funds	11	11
	-----	-----
Closing shareholders' funds	11	11
	=====	=====

7. Ultimate parent undertaking

The ultimate parent undertaking is Sundial Holdings Limited, a company incorporated in Scotland. Copies of the financial statements of that company are available from 89 Ravenscroft Street, Edinburgh, EH17 8QS.