

COMPANY REGISTRATION NUMBER SC157989

PALISADE PROPERTIES PLC
FINANCIAL STATEMENTS
31 OCTOBER 2006



BOWER + SMITH
Chartered Accountants & Registered Auditors
6 Rubislaw Place
Aberdeen
AB10 1XN

PALISADE PROPERTIES PLC

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2006

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PALISADE PROPERTIES PLC
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Alan B Wilson Paul F Doherty
Company secretary	Paul & Williamsons
Registered office	22 Dunblane Street Glasgow G4 0HJ
Auditor	Bower + Smith Chartered Accountants & Registered Auditors 6 Rubislaw Place Aberdeen AB10 1XN
Bankers	Bank of Scotland 39 Albyn Place Aberdeen AB10 1YN

PALISADE PROPERTIES PLC**THE DIRECTORS' REPORT****YEAR ENDED 31 OCTOBER 2006**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property development

The directors consider that the company traded satisfactorily during the year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £159,175. The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

Alan B Wilson
Paul F Doherty

POLICY ON THE PAYMENT OF CREDITORS

It is the policy of the company to pay all verified accounts within agreed settlement terms. The average period taken to pay suppliers was 28 days (2005 51 days)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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

PALISADE PROPERTIES PLC

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 OCTOBER 2006

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DONATIONS

During the year the company made the following contributions

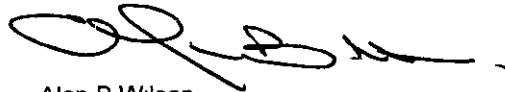
	2006	2005
	£	£
Charitable	<u>775</u>	<u>400</u>

AUDITOR

A resolution to re appoint Bower + Smith as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office
22 Dunblane Street
Glasgow
G4 0HJ

Signed on behalf of the directors



Alan B Wilson

Director

Approved by the directors on 31 July 2008

PALISADE PROPERTIES PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PALISADE PROPERTIES PLC *(continued)*

YEAR ENDED 31 OCTOBER 2006

We have audited the financial statements of Palisade Properties plc for the year ended 31 October 2006 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared on the basis of 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 auditor's 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 AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 October 2006 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

PALISADE PROPERTIES PLC**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PALISADE PROPERTIES PLC *(continued)*****YEAR ENDED 31 OCTOBER 2006**

the information given in the Directors' Report is consistent with the financial statements

Emphasis of matter employee benefit trusts

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in the notes to the financial statements concerning the corporation tax deduction for contributions to employee benefit trusts. Should the deductions not be allowable then this would result in an additional corporation tax charge in the financial statements.



BOWER + SMITH
Chartered Accountants
& Registered Auditors

6 Rubislaw Place
Aberdeen
AB10 1XN

31 July 2008

PALISADE PROPERTIES PLC**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 OCTOBER 2006**

	Note	2006 £	2005 £
TURNOVER	2	1,166,150	226,833
Cost of sales		<u>30,323</u>	<u>3,509</u>
GROSS PROFIT		1,135,827	223,324
Administrative expenses		<u>873,002</u>	<u>303,466</u>
OPERATING PROFIT/(LOSS)	3	262,825	(80,142)
Other provisions		<u>—</u>	<u>(10,000)</u>
		262,825	(90,142)
Interest receivable		<u>6,201</u>	<u>12,903</u>
Interest payable and similar charges	6	(30,625)	(35,131)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		238,401	(112,370)
Tax on profit/(loss) on ordinary activities	7	<u>79,226</u>	<u>(32,246)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>159,175</u>	<u>(80,124)</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 16 form part of these financial statements

PALISADE PROPERTIES PLC

BALANCE SHEET

31 OCTOBER 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	<u>151,826</u>	<u>160,079</u>
CURRENT ASSETS			
Debtors	9	709,415	942,666
Cash at bank		<u>1,131,537</u>	<u>186,523</u>
		1,840,952	1,129,189
CREDITORS Amounts falling due within one year	10	<u>1,237,634</u>	<u>442,167</u>
NET CURRENT ASSETS		<u>603,318</u>	<u>687,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>755,144</u>	<u>847,101</u>
CREDITORS . Amounts falling due after more than one year	11	—	249,165
		<u>755,144</u>	<u>597,936</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	—	1,967
		<u>755,144</u>	<u>595,969</u>
CAPITAL AND RESERVES			
Called up equity share capital	15	50,000	50,000
Profit and loss account	16	<u>705,144</u>	<u>545,969</u>
SHAREHOLDERS' FUNDS	17	<u>755,144</u>	<u>595,969</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2008, and are signed on their behalf by

ALAN B WILSON
Director



The notes on pages 10 to 16 form part of these financial statements

PALISADE PROPERTIES PLC

CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 2006

	Note	2006 £	2005 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,151,699	42,698
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		6,201	12,903
Interest paid		(30,625)	(35,131)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(24,424)	(22,228)
TAXATION		(160,862)	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(1,102)	(74,304)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,102)	(74,304)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		965,311	(53,834)
FINANCING			
Repayment of bank loans		(20,297)	(530,453)
NET CASH OUTFLOW FROM FINANCING		(20,297)	(530,453)
INCREASE/(DECREASE) IN CASH		945,014	(584,287)
RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
		2006	2005
		£	£
Operating profit/(loss)		262,825	(80,142)
Depreciation		9,355	10,636
Decrease/(increase) in debtors		225,914	(15,660)
Increase in creditors		653,605	127,864
Net cash inflow from operating activities		1,151,699	42,698

The notes on pages 10 to 16 form part of these financial statements

PALISADE PROPERTIES PLC

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 OCTOBER 2006

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006 £	2005 £
Increase/(decrease) in cash in the period	945,014	(584,287)
Net cash outflow from bank loans	<u>20,297</u>	<u>530,453</u>
Change in net funds	965,311	(53,834)
Net debt at 1 November 2005	<u>(84,648)</u>	<u>(30,814)</u>
Net funds at 31 October 2006	<u>880,663</u>	<u>(84,648)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Nov 2005 £	Cash flows £	At 31 Oct 2006 £
Net cash			
Cash in hand and at bank	<u>186,523</u>	<u>945,014</u>	<u>1,131,537</u>
Debt			
Debt due within 1 year	<u>(22,006)</u>	<u>(228,868)</u>	<u>(250,874)</u>
Debt due after 1 year	<u>(249,165)</u>	<u>249,165</u>	<u>—</u>
	<u>(271,171)</u>	<u>20,297</u>	<u>(250,874)</u>
Net funds	<u>(84,648)</u>	<u>965,311</u>	<u>880,663</u>

The notes on pages 10 to 16 form part of these financial statements

PALISADE PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2006

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover represents amounts received or receivable for services provided stated net of Value Added Tax

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

Freehold Property	4% per annum
Fixtures & Fittings	25% per annum

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse

Employee benefit trusts

The company has established trusts for the benefit of employees and certain of their dependents. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust fund are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 TURNOVER

Turnover consists of management fees

PALISADE PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2006

3 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2006	2005
	£	£
Depreciation of owned fixed assets	9,355	10,636
Auditor's remuneration		
as auditor	4,500	4,000
for other services	500	500
Operating lease costs		
Other	<u>1,200</u>	<u>415</u>

4 PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 8 (2005 8)

The aggregate payroll costs of the above were

	2006	2005
	£	£
Wages and salaries	211,292	186,361
Social security costs	22,244	23,955
Contribution to Employee Benefit Trust	500,000	—
	<u>733,536</u>	<u>210,316</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2006	2005
	£	£
Emoluments receivable	72,000	72,000
Contribution to Employee Benefit Trust	500,000	—
	<u>772,000</u>	<u>72,000</u>

Emoluments of highest paid director

	2006	2005
	£	£
Total emoluments	36,000	—
Contribution to Employee Benefit Trust	250,000	—
	<u>286,000</u>	<u>—</u>

PALISADE PROPERTIES PLC**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2006****6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2006	2005
	£	£
Interest payable on bank borrowing	17,138	27,571
Interest on directors loans	10,874	—
Interest on overdue tax	2,613	7,560
	<u>30,625</u>	<u>35,131</u>

7 TAXATION ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2006	2005
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2005 30%)	79,257	(33,601)
Over/under provision in prior year	1,936	(612)
Total current tax	<u>81,193</u>	<u>(34,213)</u>
Deferred tax		
Origination and reversal of timing differences	(1,967)	1,967
Tax on profit/(loss) on ordinary activities	<u>79,226</u>	<u>(32,246)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 30%)

	2006	2005
	£	£
Profit/(loss) on ordinary activities before taxation	<u>238,401</u>	<u>(112,370)</u>
Profit/(loss) on ordinary activities by rate of tax	71,520	(33,711)
Expenses not deductible for tax purposes	7,601	3,418
Capital allowances in excess of depreciation	2,452	(1,377)
Other differences	(2,316)	(1,931)
Prior year adjustment	1,936	(612)
Total current tax (note 7(a))	<u>81,193</u>	<u>(34,213)</u>

PALISADE PROPERTIES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2006

8 TANGIBLE FIXED ASSETS

	Heritable Property £	Fixtures & Fittings £	Total £
COST			
At 1 November 2005	158,688	28,061	186,749
Additions	250	852	1,102
At 31 October 2006	<u>158,938</u>	<u>28,913</u>	<u>187,851</u>
DEPRECIATION			
At 1 November 2005	6,348	20,322	26,670
Charge for the year	6,357	2,998	9,355
At 31 October 2006	<u>12,705</u>	<u>23,320</u>	<u>36,025</u>
NET BOOK VALUE			
At 31 October 2006	<u>146,233</u>	<u>5,593</u>	<u>151,826</u>
At 31 October 2005	<u>152,340</u>	<u>7,739</u>	<u>160,079</u>

9. DEBTORS

	2006 £	2005 £
Trade debtors	–	116,662
Other debtors	579,107	335,174
Tax recoverable	117,710	125,047
Directors loan accounts	12,598	365,783
	<u>709,415</u>	<u>942,666</u>

10 CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Bank loans	250,874	22,006
Trade creditors	9,137	5,005
Other creditors including taxation and social security		
Corporation tax	102,398	189,404
Other taxation and social security	35,316	25,696
Other creditors	839,909	200,056
	<u>1,237,634</u>	<u>442,167</u>

The Bank of Scotland holds a bond and floating charge over the whole of the assets of the company and also holds standard securities over the company's heritable property. The Bank of Scotland also holds cross guarantees between Palisade Properties plc, Palisade Properties (Holdings) Limited and other companies in which the directors have an interest.

PALISADE PROPERTIES PLC**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2006****10 CREDITORS Amounts falling due within one year (continued)**

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006 £	2005 £
Bank loans	<u>250,874</u>	<u>22,006</u>

11 CREDITORS Amounts falling due after more than one year

	2006 £	2005 £
Bank loans and overdrafts	<u>—</u>	<u>249,165</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	<u>—</u>	<u>249,165</u>

12 BANK LOAN

Creditors include finance capital which is due for repayment as follows

	2006 £	2005 £
Amounts repayable		
In one year or less or on demand	250,874	22,006
In more than one year but not more than two years	—	23,344
In more than two years but not more than five years	—	78,907
In more than five years	—	146,914
	<u>250,874</u>	<u>271,171</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	1,967	
Profit and loss account movement arising during the year	<u>(1,967)</u>	<u>1,967</u>
Provision carried forward		<u>1,967</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	<u>—</u>	<u>1,967</u>
		<u>1,967</u>

PALISADE PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2006

14 RELATED PARTY TRANSACTIONS

During the period the company had transactions with Palisade Properties (Holdings) Limited, Palisade Properties (Crow Road) Limited and Palisade Properties (Glasgow) Limited all of which are owned by the directors. The company also had transactions with Palisade Estates Limited, a company in which the directors have interests, with Palisade Properties (Oban) Limited, a subsidiary of Palisade Properties (Holdings) Limited. At the year end date the various companies referred to above owed the following amounts to Palisade Properties plc

	2006	2005
	£	£
Palisade Properties (Holdings) Limited	19,494	18,894
Palisade Properties (Crow Road) Limited	71,334	75,538
Palisade Properties (Glasgow) Limited	(243,966)	(174,814)
Palisade Estates Limited	286,185	139,318
Palisade Properties (Oban) Limited	83,574	91,098

The above balance with Palisade Properties (Holdings) Limited is stated net of a provision for £43,947 (2005 £43,947)

During the year the company received management charges from related parties as follows

	2006	2005
	£	£
Palisade Properties (Glasgow) Limited	400,000	–
Palisade Estates Limited	50,000	39,000

Palisade Properties plc has a management agreement to provide estate management and planning advice services for some offshore trusts which Elmford Limited, a nominee company, holds title to land for. Mr Alan Wilson has an interest in some of these trusts. At 31 October 2006 Elmford Limited owed the company £113,301 (2005 £116,662). This amount is net of a provision for bad debts of £nil (2005 £17,150). Turnover with Elmford Limited during the period amounted to £172,120 (2005 £187,833).

During the year the company paid interest of £10,874 (2005 £nil) to Mr Alan Wilson. Interest was paid at the rate of 7% per annum on sums advanced by him.

15 SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

PALISADE PROPERTIES PLC

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2006

16 RESERVES

	Profit and loss account £
Balance brought forward	545,969
Profit for the year	159,175
Balance carried forward	<u>705,144</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit/(Loss) for the financial year	159,175	(80,124)
Opening shareholders' funds	<u>595,969</u>	<u>676,093</u>
Closing shareholders' funds	<u>755,144</u>	<u>595,969</u>

18. POST BALANCE SHEET EVENTS

In November 2006 the company sold its heritable property to Mr Paul Doherty

PALISADE PROPERTIES PLC

MANAGEMENT INFORMATION

YEAR ENDED 31 OCTOBER 2006

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

PALISADE PROPERTIES PLC

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2006

	2006 £	2005 £
TURNOVER		
Management fees	1,166,150	226,833
Cost of sales	<u>30,323</u>	<u>3,509</u>
GROSS PROFIT	<u>1,135,827</u>	<u>223,324</u>
OVERHEADS		
Wages and salaries	211,292	186,361
Employers national insurance contributions	22,244	23,955
Employee Benefit Trust	500,000	—
Rent	1,200	415
Light and heat	387	1,281
Insurance	1,419	756
Motor expenses	4,540	7,238
Travel	1,607	1,173
Telephone	6,144	5,043
Office expenses	6,228	5,399
Repairs	3,182	4,112
Printing and stationery	2,337	3,968
Sundry expenses	21,250	14,655
Entertaining	8,530	3,480
Legal and professional fees	68,519	5,187
Auditors remuneration	4,500	4,000
Depreciation	9,355	10,636
Bad debts written off	—	17,150
Bank charges	<u>268</u>	<u>8,657</u>
	873,002	303,466
OPERATING PROFIT/(LOSS)	262,825	(80,142)
Other provisions	<u>—</u>	<u>(10,000)</u>
	262,825	(90,142)
Bank interest receivable	<u>6,201</u>	<u>12,903</u>
	269,026	(77,239)
Interest payable and similar charges	<u>(30,625)</u>	<u>(35,131)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>238,401</u>	<u>(112,370)</u>

PALISADE PROPERTIES PLC

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2006

	2006	2005
	£	£
INTEREST RECEIVABLE		
Bank interest receivable	<u>6,201</u>	<u>12,903</u>
INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest payable	17,138	27,571
Interest on directors loans	10,874	—
Interest on overdue tax	<u>2,613</u>	<u>7,560</u>
	<u>30,625</u>	<u>35,131</u>