

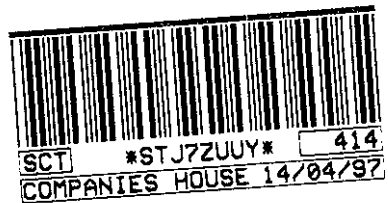
REPORT AND ACCOUNTS

Palisade Properties PLC

Registered Number 157989

31 OCTOBER 1996

✓



DIRECTORS

Paul F Doherty
Alan B Wilson (Chairman)

SECRETARY

Paull & Williamsons

AUDITORS

Ernst & Young
50 Huntly Street
Aberdeen AB10 1ZN

BANKERS

Bank of Scotland
501 Union Street
Aberdeen

SOLICITORS

Paull & Williamsons
Investment House
6 Union Row
Aberdeen AB9 8DQ

REGISTERED OFFICE

Investment House
6 Union Row
Aberdeen AB10 1DQ

REGISTERED NUMBER

157989

Palisade Properties PLC

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 October 1996.

RESULTS

The profit for the period, after taxation, amounted to £11,219. No dividends are recommended.

PRINCIPAL ACTIVITY

The company's principal activity during the year was property development.

DIRECTORS AND THEIR INTERESTS

The directors at 31 October 1996 and their interests in the share capital of the company were as follows:

*At 31 October 1996
Ordinary shares*

P F Doherty	25,000
A B Wilson	25,000

Also holding office as directors during the period were:

Stephen Mabbot	(Resigned 8 June 1995)
Brian Rush	(Resigned 8 June 1995)
Gregor Dick	(Resigned 20 August 1996)
Fiona Dick	(Resigned 20 August 1996)

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

EVENTS SINCE THE BALANCE SHEET DATE

The company applied for re-registration as a public limited company and this was granted on 29 January 1997.

By order of the board



Paul & Williamson
Secretary

12 March 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which 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 those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- prepare the accounts 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 accounts comply with the Companies Act. 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.

REPORT OF THE AUDITORS
to the members of Palisade Properties PLC

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

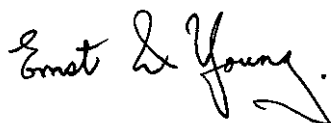
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 October 1996 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Aberdeen

12 March 1997

Palisade Properties PLC

PROFIT AND LOSS ACCOUNT

for the period ended 31 October 1996

	<i>Note</i>	<i>Period to 31/10/96 £</i>
Turnover	2	110,000
Cost of sales		<u>76,542</u>
GROSS PROFIT		33,458
Administrative expenses		<u>13,652</u>
OPERATING PROFIT	3	19,806
Interest payable		<u>4,763</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,043
Tax on profit on ordinary activities	7	<u>3,824</u>
PROFIT RETAINED FOR THE PERIOD		<u><u>11,219</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of £11,219 as shown in the profit and loss account.

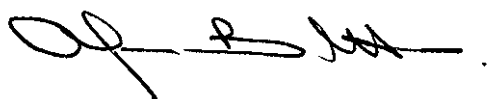
Palisade Properties PLC

BALANCE SHEET

at 31 October 1996

	Notes	1996 £
CURRENT ASSETS		
Stock	4	46,402
Debtors	5	140
Cash at bank and in hand		96,769
		<u>143,311</u>
CREDITORS: amounts falling due within one year	6	<u>12,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>131,219</u>
CREDITORS: amounts falling due after more than one year:		
Directors' loan		<u>70,000</u>
		<u>61,219</u>
CAPITAL AND RESERVES		
Called up share capital	8	50,000
Profit and loss account	9	<u>11,219</u>
TOTAL SHAREHOLDERS' FUNDS		<u>61,219</u>

ERNST & YOUNG



A B Wilson, Director

12 March 1997

Palisade Properties PLC

CASH FLOW STATEMENT

for the period ended 31 October 1996

Period to
31/10/96
£

NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(18,468)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	
Interest paid	<u>(4,763)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(23,231)
TAXATION	
Corporation tax paid	-
INVESTING ACTIVITIES	<u>-</u>
NET CASH OUTFLOW BEFORE FINANCING	<u>(23,231)</u>
FINANCING	
Issue of ordinary share capital	50,000
New long term loan	70,000
Decrease in cash and cash equivalents	<u>(96,769)</u>
	<u>(23,231)</u>

NOTES TO THE ACCOUNTS
at 31 October 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Stock and work in progress

Undeveloped land and property is valued at the lower of cost and net realisable value.

Land and property in the course of development is treated as work in progress and is valued at the lower of cost and net realisable value. Cost comprises all direct costs incurred on the development up to the balance sheet date. Financing costs are not included.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, the development and sale of property.

3. OPERATING PROFIT

Period to
31/10/96
£

- (a) This is stated after charging:
Auditors' remuneration

3,000

- (b) Reconciliation of operating profit to net cash outflow from operating activities:

Period to
31/10/96
£

Operating profit	19,806
Increase in debtors	(140)
Increase in creditors	8,268
Increase in stock	(46,402)
Net cash outflow from operating activities	(18,468)

4. STOCK

31/10/96
£

Work in progress 46,402

Palisade Properties PLC

NOTES TO THE ACCOUNTS at 31 October 1996

5. DEBTORS

31/10/96
£

Prepayments and accrued income

140

6. CREDITORS: amounts falling due within one year

31/10/96
£

Trade creditors

8,268

Corporation tax

3,824

12,092

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Period to
31/10/96
£

UK corporation tax at 25%

3,824

8. SHARE CAPITAL

*Authorised and allotted
1996 No* *Allotted, called up and fully paid
1996 £*

Ordinary shares of £1 each

50,000

50,000

50,000 ordinary shares were issued during the year at the nominal value of £1 each.

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
Issued share capital	50,000	-	50,000
Retained profit for period	-	11,219	11,219
At 31 October 1996	50,000	11,219	61,219

10. SECURITY GRANTED

A standard security over the property at 68 Hardgate, Aberdeen is held by the Bank of Scotland.