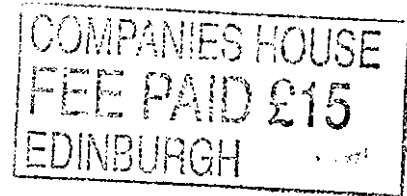


SF551

COMPANIES H.



INVERSANDA ESTATE LIMITED

REPORT AND FINANCIAL STATEMENTS

30 NOVEMBER 1994

12

Saffery Champness
CHARTERED ACCOUNTANTS



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GENERAL INFORMATION

DIRECTORS

D W Braxton
N H Hutchings
R Worsdale

SECRETARY

D W Braxton

PLACE OF BUSINESS

Inversanda
Ardgour
By Fort William
Inverness-shire, PH33 7AD

REGISTERED NUMBER

SF 551

AUDITORS

Saffery Champness
Hill Place House
Inverness
Inverness-shire, IV2 3AD

BANKERS

The Royal Bank of Scotland
6 High Street
Fort William
Inverness-shire, PH33 6AS

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 30 November 1994.

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £6,069 (1993 £11,680).

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activities during the year were farming and the provision of an estate for sporting services.

FIXED ASSETS

The movements in fixed assets are shown in note 5 to the financial statements.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

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

30 November 1994 1 December 1993

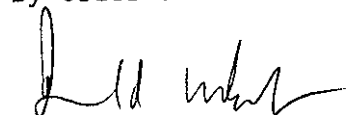
D W Braxton
N H Hutchings
R Worsdale

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- -

SMALL COMPANY EXEMPTIONS

Advantage has been taken, in the preparation of this report, of special exemptions applicable to small companies.

By Order of the Board



D W Braxton
Secretary

1 September..... 1995

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described in the directors' report on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 of the state of affairs of the company as at 30 November 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

SAFFERY CHAMPNESS

Chartered Accountants

Registered Auditors

INVERNESS

7 September
..... 1995*Saffery Champness*

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 1994

	Note	1994	1993
TURNOVER	2	42,942	38,509
Cost of sales		<u>(12,977)</u>	<u>(12,213)</u>
GROSS PROFIT		29,965	26,296
Administrative expenses		<u>(36,034)</u>	<u>(37,976)</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(6,069)	(11,680)
Taxation	4	<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE YEAR		<u>£ (6,069)</u>	<u>£(11,680)</u>

The notes on pages 7 to 11 form part of these financial statements.

All gains or losses arising in the year have been recognised in the profit & loss account and arise from continuing operations.

A reconciliation of movements in shareholders' funds is shown in note 12 to the financial statements

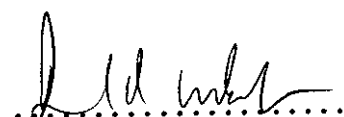
BALANCE SHEET
AT 30 NOVEMBER 1994

	Note	1994	1993
FIXED ASSETS			
Tangible assets	5	836,182	839,215
CURRENT ASSETS			
Stock		48,086	45,986
Debtors	6	2,286	7,838
Cash at bank and in hand		14,497	7,968
		<u>64,869</u>	<u>61,792</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	<u>3,515</u>	<u>4,404</u>
NET CURRENT ASSETS		<u>61,354</u>	<u>57,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		897,536	896,603
CREDITORS			
Amounts falling due after more than one year	8	(1,000,557)	(993,557)
		<u>£ (103,021)</u>	<u>£ (96,954)</u>
CAPITAL AND RESERVES			
Called up share capital	10	623	623
Profit and loss account	11	(103,644)	(97,577)
SHAREHOLDERS' FUNDS	12	<u>£ (103,021)</u>	<u>£ (96,954)</u>

The notes on pages 7 to 11 form part of these financial statements.

Advantage has been taken, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company under Section 247 of the Companies Act 1985.

Approved by the board on 1 September 1995


.....
D W Braxton

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below.

TANGIBLE FIXED ASSETS

Fixed assets are stated at cost.

Depreciation is provided on all tangible fixed assets, other than land and buildings, at rates calculated to write off the cost of each asset evenly over its useful life, as follows:

Machinery and equipment	-	15% p.a. Reducing balance
Motor vehicles	-	25% p.a. Reducing balance

GOVERNMENT GRANTS

Grants of a revenue nature are credited to income in the period to which they relate.

STOCK

Stocks are valued at the lower of cost and net realisable value.

Cost means purchase price including transport and handling costs, less trade discounts.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION

Provision is made, using the liability method, for taxation in respect of items where there is a timing difference between their treatment for accounts and taxation purposes if it is probable that a material tax liability or asset will crystallise in the foreseeable future.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of Value Added Tax, plus livestock subsidies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The whole of the company's results relate to continuing operations in the United Kingdom.

3 (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994	1993
Loss on ordinary activities before taxation is stated after crediting:		
Grants received	21,558	25,069
And after charging:		
Depreciation of assets:		
Charge for the year		
- tangible fixed assets	3,032	3,839
Auditors' remuneration	900	1,200
	<u> </u>	<u> </u>

4 TAXATION

	1994	1993
Corporation tax at 25% on the loss for the year:	-	-
	<u> </u>	<u> </u>

There will be no liability to Corporation Tax on the results for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

5 FIXED ASSETS

	Land and Buildings	Property Improvements	Motor Vehicles	Machinery & Equipment	Total
Cost					
30 November 1994	<u>778,473</u>	<u>45,137</u>	<u>16,645</u>	<u>16,261</u>	<u>856,516</u>
Depreciation					
1 December 1993	-	-	9,730	7,571	17,301
Charge for the year	-	-	1,729	1,304	3,033
30 November 1994	<u>-</u>	<u>-</u>	<u>11,459</u>	<u>8,875</u>	<u>20,334</u>
Net book value					
30 November 1994	<u>£778,473</u>	<u>£45,137</u>	<u>£ 5,186</u>	<u>£ 7,386</u>	<u>£836,182</u>
Net book value					
30 November 1993	<u>£778,473</u>	<u>£45,137</u>	<u>£ 6,915</u>	<u>£ 8,690</u>	<u>£839,215</u>

6 DEBTORS

	1994	1993
Trade debtors	648	5,693
Other debtors	1,638	2,145
	<u>£ 2,286</u>	<u>£ 7,838</u>

7 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1994	1993
Trade creditors	86	200
Other taxation and social security costs	898	952
Other creditors	2,531	3,252
	<u>£3,515</u>	<u>£4,404</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

8 CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

	1994	1993
Loan from shareholders	<u>£1,000,557</u>	<u>£993,557</u>

The loan advanced by the shareholders is interest free. The shareholders have confirmed that additional funds will be made available if required and that no part of the loan will be returned before the company's obligations to other creditors have been met in full.

9 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts and the total potential liability, including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1994	1993	1994	1993
Tax effect of timing differences due to:				
Excess of tax allowances over depreciation	<u>-</u>	<u>-</u>	<u>878</u>	<u>881</u>

10 SHARE CAPITAL

Authorised:

	1994	1993
10,000 'A' Ordinary shares of \$1 each	10,000	10,000
10,000 'B' Ordinary shares of \$1 each	10,000	10,000
10,000 'A' Preference shares of \$1 each	10,000	10,000
10,000 'B' Preference shares of \$1 each	10,000	10,000
10,000 'C' Preference shares of \$1 each	10,000	10,000
	<u>50,000</u>	<u>50,000</u>

Allotted, issued and fully paid:

1,000 'A' ordinary \$1 shares translated at \$1 = £1.605 on date of issue 22 September 1989	<u>£ 623</u>	<u>£ 623</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1994

11 RESERVES

PROFIT AND LOSS ACCOUNT	1994	1993
1 December 1993	(97,575)	(85,897)
Retained loss for the year	(6,069)	(11,680)
30 November 1994	<u>£(103,644)</u>	<u>£(97,577)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994	1993
Loss for the financial year	(6,069)	(11,680)
Opening shareholders' fund	(96,952)	(85,274)
Closing shareholders' fund	<u>£(103,021)</u>	<u>£(96,954)</u>

13 CAPITAL COMMITMENTS

The company had no capital commitments at 30 November 1994
(1993 - nil).

14 ULTIMATE HOLDING COMPANY

The ultimate holding company is Torman Limited, a company registered in the British Virgin Islands.