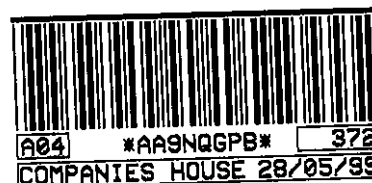


TIDDINGTON INVESTMENTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1998

Registered Number : 1641937



TIDDINGTON INVESTMENTS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 1998

<u>CONTENTS</u>	<u>PAGE</u>
Directors' report	2
Statement of directors' responsibilities	3
Report of the auditors	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 10

TIDDINGTON INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and audited financial statements for the year ended 31 December 1998.

PRINCIPAL ACTIVITIES

The principal activities of the company are the holding of investments in fixed interest stock exchange securities to maturity and the receipt of interest thereon.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (1997 £nil). The profit for the financial year of £338,962 (1997 £378,197) will be transferred to reserves.

DIRECTORS

The directors during the year were as follows:

A.S. Young, FCII
N. Carter, FCA
A.M. Cummins, BSc (Hons)

None of the directors had any beneficial interests in shares of either the company or any other company in the group.

Mr. A. S. Young retires by rotation and being eligible, offers himself for re-election.


YEAR 2000

The company's ultimate holding company, The National Farmers Union Mutual Insurance Society Limited, established a millennium compliance project in 1997, designed to address the impact of the year 2000 on the Group's business. This project covered the key risks of the company. All costs associated with the project have been borne by the ultimate holding company and are disclosed in its accounts.

AUDITORS

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board


W.E. Cooper
Secretary

18 March 1999

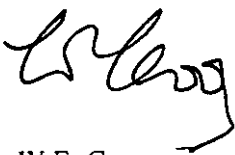
TIDDINGTON INVESTMENTS LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and of the profit of the company for that period. In preparing those financial statements, the directors confirm that

- ♦ suitable accounting policies have been applied consistently;
- ♦ reasonable and prudent judgements have been made;
- ♦ applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ♦ the financial statements have been prepared on the going concern basis.

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.

By order of the Board



W.E. Cooper
Secretary

18 March 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF
TIDDINGTON INVESTMENTS LIMITED

We have audited the financial statements on pages 5 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 the company's affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pricewaterhouse Coopers

PRICEWATERHOUSECOOPERS
 Chartered Accountants and Registered Auditors
 Birmingham

19 March 1999

TIDDINGTON INVESTMENTS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
<u>Continuing operations</u>			
INVESTMENT INCOME	1(b)	496,867	555,604
Administrative expenses		(5,701)	(5,203)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	491,166	550,401
Tax on profit on ordinary activities	4	(152,204)	(172,204)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR		338,962	378,197
RETAINED PROFITS BROUGHT FORWARD		1,828,798	1,450,601
		<hr/>	<hr/>
RETAINED PROFITS CARRIED FORWARD		<u>2,167,760</u>	<u>1,828,798</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial year	338,962	378,197
Unrealised surplus on revaluation of investments	2,665,122	1,460,540
Taxation on unrealised surplus on revaluation of investments	(677,823)	(293,281)
Surplus on maturity of investments	-	(20,190)
Taxation on deficit/(surplus) on maturity of investments	-	6,358
	<hr/>	<hr/>
Total recognised gains relating to the year	<u>2,326,261</u>	<u>1,531,624</u>


NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the profit on ordinary activities before taxation and retained profit for the year stated above, and their historical cost equivalents.

TIDDINGTON INVESTMENTS LIMITEDBALANCE SHEETAS AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
<u>FIXED ASSETS</u>			
Investments	5	20,068,581	17,403,459
<u>CURRENT ASSETS</u>			
Debtors	6	116,706	112,773
Investments - short-term deposits		345,000	316,000
Cash at bank		1,784	507
		<hr/>	<hr/>
		463,490	429,280
<u>CREDITORS</u>			
Amounts falling due within one year	7	(766,488)	(393,417)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		(302,998)	35,863
		<hr/>	<hr/>
NET ASSETS		<u>19,765,583</u>	<u>17,439,322</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	8	12,000,000	12,000,000
Reserves	9	7,765,583	5,439,322
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	10	<u>19,765,583</u>	<u>17,439,322</u>

These accounts on pages 5 to 10 were approved by the Board of Directors on 18 March 1999
and were signed on its behalf by:



A.S. YOUNG, DIRECTOR



N. CARTER, DIRECTOR

STRATFORD SERVICES LIMITEDANNUAL REPORTFOR THE YEAR ENDED 31 DECEMBER 1998

<u>CONTENTS</u>	<u>PAGE</u>
Directors' report	2
Statement of directors' responsibilities	3
Report of the auditors	4
Balance sheet	5
Notes to the financial statements	6

STRATFORD SERVICES LIMITEDDIRECTORS' REPORTFOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and financial statements for the year ended 31 December 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of administrative services.

REVIEW OF BUSINESS

The company did not trade during the period and therefore it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

DIRECTORS

The directors during the year were as follows:

A.S. Young, FCII,
N. Carter, FCA
W.E. Cooper, ACIS, ACII

None of the directors had any beneficial interests in shares of either the company or any other company in the group.

Mr. N. Carter retires by rotation and being eligible, offers himself for re-election.

YEAR 2000

The company's ultimate holding company, The National Farmers Union Mutual Insurance Society Limited, established a millennium compliance project in 1997, designed to address the impact of the year 2000 on the Group's business. This project covered the key risks of the company. All costs associated with the project have been borne by the ultimate holding company and are disclosed in its accounts.

AUDITORS

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to re-appoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



W.E. Cooper
Secretary

18 March 1999

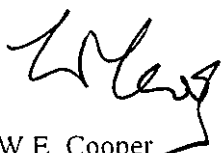
STRATFORD SERVICES LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors confirm that

- ♦ suitable accounting policies have been applied consistently;
- ♦ reasonable and prudent judgements have been made;
- ♦ applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ♦ financial statements have been prepared on the going concern basis

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.

By order of the Board



W.E. Cooper
Secretary

18 March 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF
STRATFORD SERVICES LIMITED

We have audited the financial statements on pages 5 to 6, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 the company's affairs at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

Pricewaterhouse Coopers

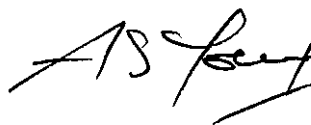
PRICEWATERHOUSECOOPERS
 Chartered Accountants and Registered Auditors
 Birmingham


19 March 1999

STRATFORD SERVICES LIMITEDBALANCE SHEETAS AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
<u>CURRENT ASSETS</u>			
Debtor - amount due from parent company		2	2
		<hr/>	<hr/>
NET ASSETS		<u>2</u>	<u>2</u>
<u>CAPITAL</u>			
Called-up share capital	2	2	2
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

The accounts on pages 5 and 6 were approved by the Board of Directors on 18 March 1999
and were signed on its behalf by:

 A.S. YOUNG, DIRECTOR

 N. CARTER, DIRECTOR

STRATFORD SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

b) Cash Flow Statement

The company is a wholly owned subsidiary of The National Farmers Union Mutual Insurance Society Limited and the cash flows of the company are included within the consolidated cash flow statement of The National Farmers Union Mutual Insurance Society Limited. Consequently, the company is exempt under the terms of Financial Reporting Standard (FRS) No. 1 (Revised) from publishing a cash flow statement.

c) Related Parties

The company is relying on the exemption set out in FRS8 not to disclose transactions with other group companies.

1998
£

1997
£

2. SHARE CAPITAL

Authorised :

2,000,000 ordinary shares of £1 each

2,000,000

2,000,000

Allotted and called up :

2 ordinary shares of £1 each

2

2

3. CAPITAL COMMITMENTS

There was no capital expenditure contracted for at 31 December 1998 or 31 December 1997.

4. ULTIMATE HOLDING COMPANY

The immediate parent company is NFU Mutual Management Company Limited, which is incorporated in England and Wales.

The directors consider the company's ultimate controlling company to be The National Farmers Union Mutual Insurance Society Limited, which is incorporated in England and Wales. Copies of the accounts of the ultimate controlling party can be obtained from the Secretary at the following address:

Tiddington Road,
Stratford-upon-Avon.
CV37 7BJ