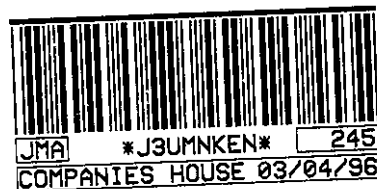

Harpmanor Limited

Report and Financial Statements

◆ *Year ended 30 June 1995* ◆



COMPANY NO: 1954109

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HARPMANOR LIMITED

COMPANY INFORMATION

Directors

H N Moser
A J Grant
C J Punshon (appointed 29 July 1994)

Secretary

M B Richards

Registered office

Bracken House
Charles Street
Manchester M1 7BD

Registered number

1954109

Auditors

Robson Rhodes
Chartered Accountants
Colwyn Chambers
19 York Street
Manchester M2 3BA

Bankers

National Westminster Bank Plc
59 Hanging Ditch
Manchester M4 3ER

HARPMANOR LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 30 June 1995.

Principal activity

The principal activity of the company continued to be that of financiers.

Business review and future developments

The directors consider the results for the year to be satisfactory and look forward to the future with confidence.

Results and dividend

The results for the period are set out in detail on page 5.

The directors do not recommend the payment of a dividend (1994: £Nil) leaving £23,592 (1994: £180,203) to be transferred to reserves.

Fixed assets

The movement in the tangible fixed assets account is set out in note 6 to the financial statements.

Directors

The present directors of the company are set out on page 1.

Mr B S Pollock resigned on 29 July 1994 and was replaced by Mr C J Punshon on the same date.

Mr H N Moser is a director of the company's parent company, Blemain Group plc and as such, his interest in the share capital of that company is disclosed in its directors report.

None of the other directors have an interest in the share capital of the company.

No director has, or had any material interest in any contract or agreement entered into by the company during the period.

Auditors

Robson Rhodes are willing to continue in office and are deemed to be reappointed in accordance with the elective resolution currently in force.

REPORT OF THE DIRECTORS

(Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements 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 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.

The report of the directors was approved by the Board on 12 January 1996 and signed on its behalf by:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Martin Basil Richards
Secretary

HARPMANOR LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF HARPMANOR LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared 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 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 judgments 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 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester
12 January 1996

HARPMANOR LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1995

	Note	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Turnover: continuing operations	1 & 2	477,973	605,265
Cost of sales		(250,000)	(137,896)
		<hr/>	<hr/>
Gross profit		227,973	467,369
Administrative expenses		(100,292)	(96,967)
		<hr/>	<hr/>
Operating profit: continuing operations	3	127,681	370,402
Interest payable	4	(83,069)	(100,199)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		44,612	270,203
Tax on profit on ordinary activities	5	(21,020)	(90,000)
		<hr/>	<hr/>
Retained profit for the year/period	13	23,592	180,203
		<hr/>	<hr/>

The company made no recognised gains or losses other than as disclosed above.

HARPMANOR LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 30 June 1995

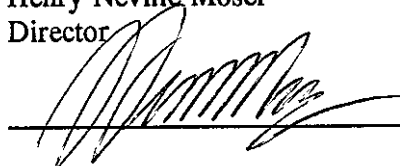
	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Total recognised gains	23,592	180,203
Opening shareholders' funds	1,156,856	976,653
	<hr/>	<hr/>
Closing shareholders' funds	1,180,448	1,156,856
	<hr/>	<hr/>

HARPMANOR LIMITED**BALANCE SHEET**
at 30 June 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	6	32,242	42,989
		<hr/>	<hr/>
Current assets			
Stocks	7	46,096	296,096
Debtors due after one year	8	612,129	822,903
Debtors due within one year	8	2,260,395	2,122,669
		<hr/>	<hr/>
		2,918,620	3,241,668
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	9	(1,770,414)	(2,107,147)
		<hr/>	<hr/>
Net current assets		1,148,206	1,134,521
		<hr/>	<hr/>
Total assets less current liabilities		1,180,448	1,177,510
		<hr/>	<hr/>
Creditors: Amounts falling due after one year	10	-	(20,654)
		<hr/>	<hr/>
Net assets		1,180,448	1,156,856
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	1,180,446	1,156,854
		<hr/>	<hr/>
Equity shareholders' funds		1,180,448	1,156,856
		<hr/>	<hr/>

The financial statements were approved by the Board on 12 January 1996 and signed on its behalf by:

Henry Neville Moser
Director



Colin John Punshon
Director



NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Blemain Group plc which publishes a consolidated cash flow statement.

Turnover

Turnover represents interest and commission received on money lending agreements, property disposal proceeds and rental income. The interest credited to the profit and loss account is calculated on a straight line basis pro rata to repayments.

Tangible fixed assets

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rate used is as follows:

Motor vehicles	25% reducing balance
----------------	----------------------

Leased assets

Where assets are financed by leasing agreements ("finance leases") the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Stocks

Properties held for resale are valued at the lower of cost and estimated net realisable value. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Advance corporation tax on dividends paid and provided for the period is not written off if UK corporation tax liabilities for the period up to the next balance sheet date are expected to be sufficient to absorb this tax.

HARPMANOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
30 June 1995**2. TURNOVER**

	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Loan interest and arrangement fees	327,973	503,885
Disposal of property proceeds	150,000	101,380
	<u>477,973</u>	<u>605,265</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Stock writedown	-	30,000
Bad debt (credit)/charge	(15,078)	5,908
Depreciation	10,747	17,008
Auditors' remuneration	1,500	3,750
Directors' emoluments	-	-
	<u>-</u>	<u>-</u>

4. INTEREST PAYABLE

	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Hire purchase	2,656	4,933
Interest on bank overdrafts and other loans wholly repayable within five years	80,413	95,266
	<u>83,069</u>	<u>100,199</u>

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 30 June 1995 £	15 months ended 30 June 1994 £
Corporation tax at 33%	16,000	90,000
Adjustment to prior period	5,020	-
	<hr/>	<hr/>
	21,020	90,000
	<hr/>	<hr/>

6. TANGIBLE FIXED ASSETS

	Motor vehicles £
Cost	
At 1 July 1994 and 30 June 1995	56,500
	<hr/>
Depreciation	
At 1 July 1994	13,511
Charged in year	10,747
	<hr/>
At 30 June 1995	24,258
	<hr/>
Net book value	
At 30 June 1995	32,242
	<hr/>
At 30 June 1994	42,989
	<hr/>

The above motor vehicle is held under a hire purchase agreement.

HARPMANOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995**7. STOCKS**

	1995 £	1994 £
Properties held for resale	46,096	296,096

8. DEBTORS

	1995 £	1994 £
Trade debtors falling due within one year	807,145	1,191,226
Amounts owed by group undertakings: fellow subsidiaries	1,441,481	927,315
Prepayments	2,490	4,128
Other debtors	9,279	-
	<hr/>	<hr/>
	2,260,395	2,122,669
Trade debtors falling due after more than one year	612,129	822,903
	<hr/>	<hr/>
	2,872,524	2,945,572

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Amounts owed to group undertakings: fellow subsidiaries	619,521	947,735
Bank overdraft (secured)	985,115	1,011,945
Obligations under hire purchase agreement	20,807	19,137
Corporation tax	111,510	90,490
Other creditors	-	1,243
Accruals	33,461	36,597
	<hr/>	<hr/>
	1,770,414	2,107,147

The bank overdraft is secured by way of a mortgage debenture over all of the company's assets.

HARPMANOR LIMITED**NOTES TO THE FINANCIAL STATEMENTS
30 June 1995****10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1995 £	1994 £
Obligations under hire purchase agreement due within 2 - 5 years	-	20,654

11. DEFERRED TAXATION

Deferred taxation comprises:

	Amounts provided		Amounts not provided	
	1995 £	1994 £	1995 £	1994 £
Accelerated capital allowances	Nil	Nil	Nil	Nil
Other timing difference	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

12. SHARE CAPITAL

	1995 £	1994 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted and fully paid 2 ordinary shares of £1 each	2	2

13. PROFIT AND LOSS ACCOUNT

	£
At 1 July 1994	1,156,854
Retained profit	23,592
At 30 June 1995	1,180,446

NOTES TO THE FINANCIAL STATEMENTS
30 June 1995

14. CAPITAL COMMITMENTS

Capital expenditure commitments were £Nil at 30 June 1995 (1994: £Nil).

15. CONTINGENT LIABILITY

The company has guaranteed the bank overdrafts of certain of its fellow subsidiary undertakings. At 30 June 1995 these totalled £7,286,270 (1994: £6,530,558).

16. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Blemain Group plc, Co. No. 2939389 a company registered in England.