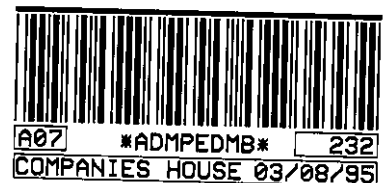


HARVESTER PROPERTIES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 1994

Registered Number : 2111204



HARVESTER PROPERTIES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 1994

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HARVESTER PROPERTIES LIMITED

STATEMENT 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 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 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 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.

HARVESTER PROPERTIES LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31 DECEMBER 1994

The directors present their annual report and the audited accounts for the year ended 31 December 1994.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the design and construction of properties. The directors consider the result for the year to be satisfactory.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend this year (1993 £200,000). The retained profit for the financial year of £1,174,486 (1993 loss £175,461) has been transferred to reserves.

DIRECTORS

The directors at the year end were as follows:

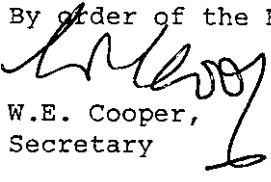
A.S. Young, FCII  
N. Carter, FCA  
R.A. Martin, ARICS

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

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the reappointment of Coopers & Lybrand as auditors to the company will be put to the Annual General Meeting.

By order of the Board

  
W.E. Cooper,  
Secretary

16th March, 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF  
HARVESTER PROPERTIES LIMITED

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

Respective responsibilities of directors and auditors

As described 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.

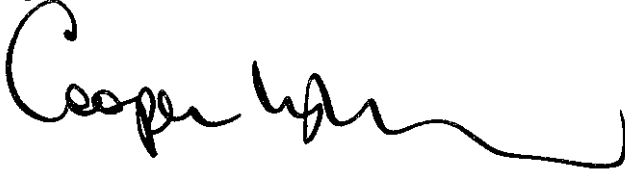
Basis of opinion

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 mis-statement, 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 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Coopers & Lybrand', with a long, flowing underline.

COOPERS & LYBRAND  
Chartered Accountants & Registered Auditors  
Liverpool

17th March, 1995

HARVESTER PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1994

		<u>1994</u>	<u>1993</u>
<u>Continuing Operations</u>	<u>Notes</u>	£	£
TURNOVER	2 (b)	4,663,460	-
COST OF SALES		2,922,971	24,501
		<hr/>	<hr/>
GROSS PROFIT/(LOSS)		1,740,489	(24,501)
Interest paid		52	155
		<hr/>	<hr/>
		1,740,437	(24,656)
Administrative expenses		(32,577)	(32,060)
Other interest receivable and similar charges		47,048	86,179
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,754,908	29,463
Taxation charge on ordinary activities	4	580,422	4,924
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,174,486	24,539
Dividends		-	(200,000)
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) FOR THE YEAR		1,174,486	(175,461)
RETAINED PROFITS BROUGHT FORWARD		133,691	309,152
		<hr/>	<hr/>
RETAINED PROFITS CARRIED FORWARD		<u>1,308,177</u>	<u>133,691</u>

The company has no recognised gains or losses other than those included in the profits above and, therefore, no separate statement of total recognised gains and losses has been presented.

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

HARVESTER PROPERTIES LIMITED

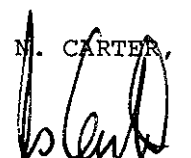
BALANCE SHEET

AS AT 31 DECEMBER 1994

		<u>1994</u>		<u>1993</u>	
	<u>Notes</u>	£	£	£	£
<u>CURRENT ASSETS</u>					
Work in Progress	5	-	-		
Debtors	6	168,937	33,180		
Short Term Investments		6,235,000	8,800,000		
Cash at bank		-	24,422		
		<u>6,403,937</u>	<u>8,857,602</u>		
<u>CREDITORS</u>					
Amounts falling due within one year	7	5,095,758	6,548,909		
		<u>5,095,758</u>	<u>6,548,909</u>		
NET CURRENT ASSETS			1,308,179		2,308,693
<u>CREDITORS</u>					
Amounts falling due after more than one year	8	-	-		2,175,000
					<u>2,175,000</u>
NET ASSETS			<u>1,308,179</u>		<u>133,693</u>
<u>CAPITAL AND RESERVES</u>					
Called up share capital	9		2		2
Profit and loss account			1,308,177		133,691
			<u>1,308,177</u>		<u>133,691</u>
SHAREHOLDERS' FUNDS	10		<u>1,308,179</u>		<u>133,693</u>

These accounts on pages 5 to 11 were approved by the Board of Directors on 16th March, 1995 and were signed on its behalf by:

  
A.S. YOUNG, DIRECTOR

  
M. CARTER, DIRECTOR

HARVESTER PROPERTIES LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 1994

		<u>1994</u>	<u>1993</u>
	<u>Notes</u>	£	£
<u>Continuing Operating Activities</u>			
Contract proceeds		-	545,000
Interest received		398,515	450,755
Cost of construction		(2,518,501)	(163,001)
Administration charges		(32,633)	(32,185)
Other cash (payments)/receipts		(230,207)	152,685
		<hr/>	<hr/>
Net Cash (Outflow)/Inflow from Continuing Operating Activities	11	(2,382,826)	953,254
<u>Returns on Investments and Servicing of Finance</u>			
Dividend paid		(200,000)	-
<u>Taxation</u>			
Corporation Tax paid		(7,225)	(86,565)
<u>Investing Activities</u>			
		-	-
		<hr/>	<hr/>
Net Cash (Outflow)/Inflow before Financing		(2,590,051)	866,689
<u>Financing</u>			
		-	-
		<hr/>	<hr/>
(Decrease)/Increase in Cash And Cash Equivalents	12,13	(2,590,051)	866,689
		<hr/> <hr/>	<hr/> <hr/>



HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

1. HOLDING COMPANY

The company's ultimate holding company is The National Farmers Union Mutual Insurance Society Limited, registered in England and Wales.

2. ACCOUNTING POLICIES

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

a) Basis of Accounting

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

b) Turnover

Turnover represents the value of invoiced work done together with an allocation of interest earned on contract monies paid in advance.

c) Work in Progress

Work in progress is stated at the lower of cost and net realisable value, less foreseeable losses and any payments received on account.

In establishing cost, work in progress at the year end is taken to represent all purchases and liabilities incurred to date.

Net realisable value is based on the sales value of the contract after taking into account all further income and costs expected to be incurred to full completion of the contract.

d) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However, no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future.

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
	£	£
3. <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		
is stated after charging:-		
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>
4. <u>TAXATION OF PROFIT ON ORDINARY ACTIVITIES</u>		
Corporation tax at 33% (1993 33%)	580,422	7,224
Overprovision of tax in prior years	-	(2,300)
	<u>580,422</u>	<u>4,924</u>
5. <u>WORK IN PROGRESS</u>		
Net cost of work done	2,922,971	24,501
Transfer to cost of sales	(2,922,971)	(24,501)
	<u>NIL</u>	<u>NIL</u>
6. <u>DEBTORS</u>		
Amounts owed by group companies	2	2
Other taxes	166,565	-
Accrued Income	2,370	33,178
	<u>168,937</u>	<u>33,180</u>

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

	<u>1994</u>	<u>1993</u>
	£	£
<b>7. <u>CREDITORS FALLING DUE WITHIN ONE YEAR</u></b>		
Bank overdraft	629	-
Payments on Account	3,468,157	5,373,185
Trade creditors	368,024	226,331
Corporation Tax	1,258,948	685,751
Other Taxes	-	63,642
Dividends payable	-	200,000
	<u>5,095,758</u>	<u>6,548,909</u>
<b>8. <u>CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR</u></b>		
Payment on account where the contract will not be completed within 12 months	<u>-</u>	<u>2,175,000</u>
<b>9. <u>SHARE CAPITAL</u></b>		
Authorised : Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid : Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>10. <u>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</u></b>		
Opening shareholders' fund	133,693	309,154
Profit for the financial year	1,174,486	24,539
Dividends paid	-	(200,000)
Closing shareholders' fund	<u>1,308,179</u>	<u>133,693</u>

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

11. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Profit on ordinary activities before taxation	1,754,908	29,463
(Increase)/Decrease in debtors	(135,757)	59,771
(Decrease)/Increase in creditors	(4,001,977)	864,020
Net Cash (Outflow)/Inflow from Operating Activities	<u>(2,382,826)</u>	<u>953,254</u>

12. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Balance at 1 January 1994	8,824,422	7,957,733
Net cash (outflow)/inflow	(2,590,051)	866,689
Balance at 31 December 1994	<u>6,234,371</u>	<u>8,824,422</u>

13. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	<u>Change</u>	<u>1993</u>	<u>1992</u>	<u>Change</u>
	£	£	In Year	£	£	In Year
			£			£
Cash & Bank	(629)	24,422	(25,051)	24,422	2,657,733	(2,633,311)
Short Term Deposits	6,235,000	8,800,000	(2,565,000)	8,800,000	5,300,000	3,500,000
	<u>6,234,371</u>	<u>8,824,422</u>	<u>(2,590,051)</u>	<u>8,824,422</u>	<u>7,957,733</u>	<u>866,689</u>

14. COMMITMENTS

Capital commitments at 31 December 1994 for which no provision has been made in these accounts were as follows:

Contracted	<u>1,762,000</u>	<u>57,000</u>
Authorised but not contracted	<u>-</u>	<u>4,928,000</u>