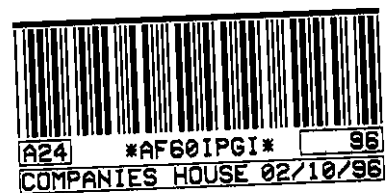


HARVESTER PROPERTIES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 1995

Registered Number : 2111204



HARVESTER PROPERTIES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 1995

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HARVESTER PROPERTIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1995

The directors present their annual report and the audited accounts for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is the design and construction of properties.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory. The directors expect the activities will be reduced during the forthcoming year.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend this year (1994 £nil). The retained profit for the financial year of £1,507,769 (1994 profit £1,174,486) will be transferred to reserves.

DIRECTORS

The directors at the year end were as follows:

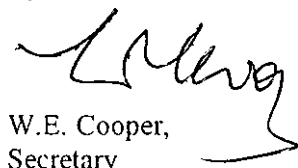
A.S. Young, FCII
N. Carter, FCA
R.A. Martin, ARICS

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

21 March 1996

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.

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 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.

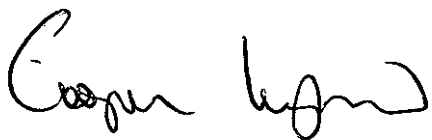
Basis of opinion

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 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 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
Liverpool

~~22 March 1996~~

24 September 1996

HARVESTER PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

		<u>1995</u>	<u>1994</u>
<u>Continuing Operations</u>	<u>Notes</u>	£	£
TURNOVER	2(b)	3,424,884	4,663,460
COST OF SALES		(2,193,070)	(2,922,971)
GROSS PROFIT		1,231,814	1,740,489
Administrative expenses		(37,179)	(32,577)
OPERATING PROFIT		1,194,635	1,707,912
Interest receivable and similar income		43,022	47,048
		1,237,657	1,754,960
Interest payable and similar charges		(58)	(52)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,237,599	1,754,908
Tax on profit on ordinary activities	5	270,170	(580,422)
RETAINED PROFIT FOR THE FINANCIAL YEAR		1,507,769	1,174,486
RETAINED PROFITS BROUGHT FORWARD		1,308,177	133,691
RETAINED PROFITS CARRIED FORWARD		<u>2,815,946</u>	<u>1,308,177</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 equivalents.

HARVESTER PROPERTIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1995

		<u>1995</u>	<u>1994</u>
	<u>Notes</u>	£	£
<u>CURRENT ASSETS</u>			
Work in progress	6	-	-
Debtors	7	39,139	168,937
Short term investments		4,140,000	6,235,000
Cash at bank		3,913	-
		<u>4,183,052</u>	<u>6,403,937</u>
<u>CREDITORS</u>			
Amounts falling due within one year	8	(1,367,104)	(5,095,758)
NET ASSETS		<u>2,815,948</u>	<u>1,308,179</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	2	2
Profit and loss account		2,815,946	1,308,177
EQUITY SHAREHOLDERS' FUNDS	10	<u>2,815,948</u>	<u>1,308,179</u>

These accounts on pages 5 to 11 were approved by the Board of Directors on 21 March 1996 and were signed on its behalf by:



A.S. YOUNG, DIRECTOR

N. CARTER, DIRECTOR

HARVESTER PROPERTIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1995

		<u>1995</u>	<u>1994</u>
	<u>Notes</u>	£	£
<u>Continuing operating activities</u>			
Interest received		292,878	398,515
Cost of construction		(1,908,502)	(2,518,501)
Administration charges		(37,244)	(32,633)
Other cash receipts/(payments)		130,830	(230,207)
		<hr/>	<hr/>
Net cash outflow from continuing operating activities	11	(1,522,038)	(2,382,826)
<u>Returns on investments and servicing of finance</u>			
Dividend paid		-	(200,000)
<u>Taxation</u>			
Corporation tax paid		(580,420)	(7,225)
Investing activities		-	-
		<hr/>	<hr/>
Net cash outflow before financing		(2,102,458)	(2,590,051)
<u>Financing</u>			
		-	-
		<hr/>	<hr/>
Decrease in cash and cash equivalents	12, 13	(2,102,458)	(2,590,051)
		<hr/>	<hr/>

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

1. HOLDING COMPANY

The company's ultimate parent 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 Standards 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.

3. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The directors received no emoluments for the year ended 31 December 1995 and 31 December 1994.

There were no employees during either year.

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
is stated after charging:-		
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation (credit)/charge for the year comprises :

Corporation tax at 33% (1993 33%) on profit for the year	408,358	580,422
Overprovision of tax in prior years	(678,528)	-
	<u>(270,170)</u>	<u>580,422</u>

6. WORK IN PROGRESS

Net cost of work done	2,193,070	2,922,971
Transfer to cost of sales	(2,193,070)	(2,922,971)
	<u>-</u>	<u>-</u>

7. DEBTORS

Amounts owed by group undertakings	2	2
Other taxes	35,734	166,565
Accrued income	<u>3,403</u>	<u>2,370</u>
	<u>39,139</u>	<u>168,937</u>

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>1995</u>	<u>1994</u>
	£	£
8. <u>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Bank overdraft	-	629
Payments on account	315,957	3,468,157
Trade creditors	156,944	368,024
Amounts owed to parent company and fellow subsidiary undertaking	485,845	-
Corporation tax	408,358	1,258,948
	<u>1,367,104</u>	<u>5,095,758</u>

9. SHARE CAPITAL

Authorised :

1,000 ordinary shares of £1 each

<u>1,000</u>	<u>1,000</u>
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Allotted, called up and fully paid :

2 ordinary shares of £1 each

<u>2</u>	<u>2</u>
----------	----------

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

At 1 January 1995	1,308,179	133,693
Profit for the financial year	1,507,769	1,174,186
	<u>2,815,948</u>	<u>1,308,179</u>
At 31 December 1995		

HARVESTER PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

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

	<u>1995</u>	<u>1994</u>
	£	£
Profit on ordinary activities before taxation	1,237,599	1,754,908
Decrease/(increase) in debtors	129,798	(135,757)
Decrease in creditors	(2,889,435)	(4,001,977)
	<hr/>	<hr/>
Net cash outflow from operating activities	<u>(1,522,038)</u>	<u>(2,382,826)</u>

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

	<u>1995</u>	<u>1994</u>
	£	£
At 1 January 1995	6,234,371	8,824,422
Net cash outflow	(2,102,458)	(2,590,051)
	<hr/>	<hr/>
At 31 December 1995	<u>4,131,913</u>	<u>6,234,371</u>

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

	<u>1995</u>	<u>1994</u>	<u>Change in</u>	<u>1994</u>	<u>1993</u>	<u>Change in</u>
	£	£	year	£	£	year
			£			£
Cash at bank	3,913	(629)	4,542	(629)	24,422	(25,051)
Short term deposits	4,140,000	6,235,000	(2,095,000)	6,235,000	8,800,000	(2,565,000)
Short term loans	(12,000)	-	(12,000)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>4,131,913</u>	<u>6,234,371</u>	<u>(2,102,458)</u>	<u>6,234,371</u>	<u>8,824,422</u>	<u>(2,590,051)</u>

14. COMMITMENTS

Capital commitments at 31 December 1995 for which no provision has been made in these accounts were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Contracted	<u>70,620</u>	<u>1,762,000</u>
Authorised but not contracted	<u>123,865</u>	<u>-</u>