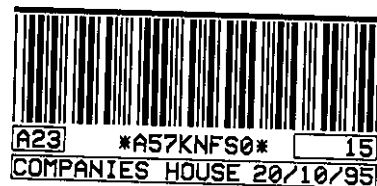


LOWTHER ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1994



LOWTHER ESTATES LIMITED

DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31st December 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 these 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;

Comply with applicable accounting standards 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 maintaining 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.

Principal Activities

The principal activity of the company is that of an investment company.

Fixed Assets

Movements in fixed assets are detailed in notes 5, 6 and 7 to the accounts.

Directors

The Directors of the company at 31st December 1994, both of whom held office throughout the year, and their interests in the share capital of the company were as follows:-

	£1 Ordinary Shares	
	31st December 1994	31st December 1993
J N Lowther	6,999	6,999
A P Hargreaves	1	1
R C Benson	Nil	Nil

Mr A P Hargreaves resigned on 31st March 1995.

LOWTHER ESTATES LIMITED

DIRECTORS' REPORT (CONTINUED)

Auditors

Messrs. Armstrong Watson & Co., Chartered Accountants, having been appointed during the year have expressed their willingness to be re-elected in accordance with Section 385 of the Companies Act, 1985.

Advantage is taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of the Schedule 8 to the Companies Act 1985.

By order of the board and signed on its behalf:-

J S ORR

Secretary.

Lowther Estate Office
Lowther
Penrith

..... 11th OCTOBER 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF
LOWTHER ESTATES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared following the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 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 the company's affairs as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



ARMSTRONG WATSON & CO.,
Chartered Accountants and
Registered Auditor.

Carlisle, 18th October 1995
.....

LOWTHER ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1994

	Notes	1994 £	1993 £
TURNOVER	2	74,292	57,378
Administrative expenses		(34,654)	(27,007)
OPERATING PROFIT	3	39,638	30,371
Interest payable		(9,745)	(13,997)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,893	16,374
Taxation		(16,040)	(11,672)
RETAINED PROFIT FOR THE YEAR	12	£13,853	£4,702

There are no recognised gains or losses other than the profit for the year (1993 - same).

The company's turnover and expenses all relate to continuing operations.


LOWTHER ESTATES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Intangible Assets	5	5,000	5,000
Tangible Assets	6	97,465	121,211
Investments	7	500	500
		<hr/>	<hr/>
		102,965	126,711
CURRENT ASSETS			
Debtors (amounts falling due within one year)	8	9,920	7,145
Debtors (amounts falling due after more than one year)	8	308,800	308,800
CREDITORS (amounts falling due within one year)	9	(43,420)	(46,244)
		<hr/>	<hr/>
NET CURRENT ASSETS		275,300	269,701
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/>	<hr/>
		378,265	396,412
CREDITORS (amounts falling after one year)	10	(299,000)	(331,000)
		<hr/>	<hr/>
		£79,265	£65,412
CAPITAL AND RESERVES		<hr/>	<hr/>
Called up Share Capital	11	7,000	7,000
Profit and Loss Account	12	72,265	58,412
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		£79,265	£65,412
		<hr/>	<hr/>

Advantage is taken of the exemptions conferred by Parts I and II of Schedule 8 to the Companies Act, 1985. In the directors' opinion, the company is entitled to those exemptions having met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

Approved by the Board on 11th October 1995 and signed on its behalf by:-

 J N LOWTHER)
R C BENSON) Directors

The notes on pages 6 to 9 form part of these accounts.

LOWTHER ESTATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards.

Accounting Convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is calculated to write off the cost or valuation of all fixed assets over their estimated useful lives as follows:-

Freehold quarry 7p per tonne of stone quarried
Mineral right Nil

The rate of depreciation has been reduced from 9p to 7p per tonne following obtaining of Planning Consent which increases the area of the quarry and available reserves of stone.

2. TURNOVER

Turnover represents the amount of royalties receivable from the leasing of the company's property.

3. OPERATING PROFIT

Operating profit is stated after charging:-

	1994 £	1993 £
Depreciation of tangible fixed assets -		
Owned assets	23,746	19,027
Auditors remuneration	819	1,865
	<hr/>	<hr/>

4. DIRECTORS EMOLUMENTS

There were no directors emoluments during the year (1993 - £Nil).

5. INTANGIBLE ASSETS

	Mineral Rights £
<u>Cost</u>	<hr/>
At 31st December 1993 and 31st December 1994	5,000
<u>Amortisation</u>	<hr/>
At 31st December 1993 and 31st December 1994	-
<u>Net Book Value</u>	<hr/>
At 31st December 1993 and 31st December 1994	£5,000
	<hr/>

LOWTHER ESTATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

6. TANGIBLE FIXED ASSETS

	Freehold Land £
<u>Cost</u>	
At 31st December 1993 and 31st December 1994	200,586
<u>Depreciation</u>	
At 31st December 1993	79,375
Charge for year	23,746
31st December 1994	103,121
<u>Net Book Value</u>	
At 31st December 1994	£97,465
31st December 1993	£121,211

7. FIXED ASSET INVESTMENTS

	Shares in associated undertaking £
<u>Cost</u>	
31st December 1993	500
Additions	-
Disposals	-
31st December 1994	£500

Name of Undertaking Associated	Country of Incorporation and Operation	Class of Share	Proportion Held	Nature of Business
Greta Grove Developments Limited	England	"A" Ordinary	50%	Land Development

The company's share of the net assets at 30th September 1994, the accounting reference date of Greta Grove Developments Limited, was £3,646. The company's share of the pre-tax profit for the year was £4,284 and the share of taxation was £1,090.

LOWTHER ESTATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

8. DEBTORS

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	4,716	3,378
Other debtors	5,204	3,767
	<u>£9,920</u>	<u>£7,145</u>
Amounts falling due after more than one year		
	1994 £	1993 £
Loan to related undertaking	<u>£308,800</u>	<u>£308,800</u>

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	1994 £	1993 £
Bank loans and overdrafts (Note 10)	40,760	43,982
Trade creditors	1,346	30
Accruals and deferred income	1,314	2,232
	<u>£43,420</u>	<u>£46,244</u>

10. CREDITORS (amounts falling due after more than one year)

	1994 £	1993 £
Bank loans and overdrafts	65,000	105,000
Directors loan account	234,000	226,000
	<u>£299,000</u>	<u>£331,000</u>

The company has given security for the bank loan of £105,000.

	1994 £	1993 £
Amount due within one and two years	274,000	266,000
Amount due within two to five years	25,000	65,000
	<u>£299,000</u>	<u>£331,000</u>

LOWTHER ESTATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

11. SHARE CAPITAL

	1994 £	1993 £
<u>Authorised</u>		
20,000 Ordinary Shares of £1 each	£20,000	£20,000
<u>Issued, allotted and fully paid</u>		
7,000 Ordinary Shares of £1 each	£7,000	£7,000

12. RESERVES AND RECONCILIATION OF OPENING AND CLOSING SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	1994 Total Shareholders Funds £	1993 Total Shareholders Funds £
At 1st January 1994	7,000	58,412	65,412	60,710
Profit for year	-	13,853	29,893	4,702
At 31st December 1994	£7,000	£72,265	£95,305	£65,412

13. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There is an unlimited guarantee in favour of Greta Grove Developments Limited in respect of a bank loan arrangement, draw down of which will commence in 1994.