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JOHN STUART (MURRIAL) LIMITED
(Company Number: 123021)

DIRECTORS' REPORT AND ACCOUNTS

5 APRIL 1995

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Anderson Anderson & Brown
Chartered Accountants

JOHN STUART (MURRIAL) LIMITED
DIRECTORS' REPORT

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Directors: G E Stuart
J R Stuart
Mrs C M Stuart

Secretaries: Houghton Melvin & Co

Registered office: 15A Victoria Street, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 5 April 1995.

RESULTS AND DIVIDENDS

The profit for the year, amounting to £29,920, is dealt with as shown in the profit and loss account. The directors recommend a final dividend of £25,000.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity is that of farming.

During the year the company disposed of its interest in certain land, realising a substantial profit. But for this the results would have been disappointing.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year were as listed above.

According to the register maintained as required under the Companies Act 1985, none of the directors held any interest in the share capital of the company during the year.

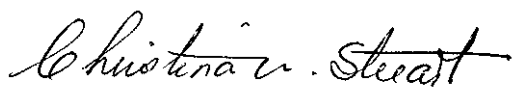
HOLDING COMPANY

The company is a wholly owned subsidiary of Codepart Limited.

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board


Director

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ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
JOHN STUART (MURRIAL) LIMITED**

We have audited the accounts on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether or not 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 5 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Anderson Anderson & Brown

Registered Auditor
Aberdeen

20 December 1995

JOHN STUART (MURRIAL) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 1995

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	Note	1995 £	1994 £
TURNOVER		154,609	138,394
Other operating income		<u>1,596</u>	<u>8,461</u>
Operating costs	3	<u>156,205</u> <u>183,756</u>	<u>146,855</u> <u>229,083</u>
OPERATING LOSS	4	(27,551)	(82,228)
Other income	5	<u>4,289</u>	<u>5,027</u>
Interest and finance costs	6	<u>(23,262)</u> <u>7,038</u>	<u>(77,201)</u> <u>4,984</u>
LOSS BEFORE EXCEPTIONAL ITEM		(30,300)	(82,185)
Exceptional item	7	<u>67,500</u>	<u>86,168</u>
PROFIT BEFORE TAXATION		37,200	3,983
Taxation	8	<u>7,280</u>	<u>-</u>
PROFIT AFTER TAXATION		29,920	3,983
Dividends	9	<u>25,000</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>£ 4,920</u>	<u>£ 3,983</u>
STATEMENT OF RETAINED PROFITS/ (ACCUMULATED LOSSES)			
Balance at 5 April 1994		(3,502)	(7,485)
Profit for year		<u>4,920</u>	<u>3,983</u>
Balance at 5 April 1995		<u>£ 1,418</u>	<u>£ (3,502)</u>

The company has made no gains or losses other than as reported above.

JOHN STUART (MURRIAL) LIMITED
BALANCE SHEET - 5 APRIL 1995

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	Note	1995 £	1994 £
TANGIBLE FIXED ASSETS	10	<u>259,529</u>	<u>260,839</u>
CURRENT ASSETS			
Cattle herd		64,030	61,000
Stocks	11	68,383	56,693
Debtors	12	<u>16,716</u>	<u>10,697</u>
		149,129	128,390
CREDITORS: <i>amounts falling due within one year</i>	13	<u>109,875</u>	<u>91,654</u>
NET CURRENT ASSETS		<u>39,254</u>	<u>36,736</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		298,783	297,575
CREDITORS: <i>amounts falling due after more than one year</i>	14	<u>49,500</u>	<u>53,212</u>
TOTAL ASSETS LESS LIABILITIES		<u>£ 249,283</u>	<u>£ 244,363</u>
CAPITAL AND RESERVES			
Called up share capital	15	247,865	247,865
Profit and loss account		<u>1,418</u>	<u>(3,502)</u>
SHAREHOLDERS' FUNDS	16	<u>£ 249,283</u>	<u>£ 244,363</u>

Signed on behalf of the board of directors

.....*John R Stuart*.....
 Director - John R Stuart

.....*George E Stuart*.....
 Director - George E Stuart

.....*20th Dec 95*..... Date

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts 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 which enable them to ensure that the accounts 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.

2. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Leased assets*

Assets held under finance leases are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account at a constant rate over the period.

(c) *Depreciation*

The cost of fixed assets is, except in the case of freehold land and buildings, written off by equal annual instalments over their expected useful lives as follows:

Implements and plant	3-6 years
Motor vehicles	4 years

2. ACCOUNTING POLICIES (continued)

(c) *Depreciation (continued)*

Freehold land is not depreciated and no depreciation has been provided on buildings and improvements as their cost is small in relation to the total cost of the properties.

Assets held under finance leases are depreciated over their expected useful lives.

(d) *Farm valuations*

Livestock is valued at cost or realisable value, if lower; crops at cost of seed, fertilisers and labour.

(e) *Grants*

Revenue grants are credited to the profit and loss account as received; capital grants are applied to reduce the cost of the relevant expenditure.

(f) *Deferred taxation*

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

(g) *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

JOHN STUART (MURRIAL) LIMITED
NOTES ON THE ACCOUNTS - 5 APRIL 1995

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3. OPERATING COSTS

	1995 £	1994 £
Decrease in crop and livestock valuations	444	4,406
Transfers (to)/from herd	(3,030)	1,200
Seeds, fertilisers and other crop expenses	30,241	26,716
Livestock purchases	13,462	17,075
Feeding stuffs, veterinary and other livestock expenses	16,744	23,532
(Gain)/loss on sale of fixed assets	(2,513)	4,500
Depreciation	19,007	18,182
Staff costs - wages and salaries	35,817	46,480
- social security costs	1,318	2,471
- pension costs	17,000	25,000
Other operating charges	55,266	59,521
	<u>£ 183,756</u>	<u>£ 229,083</u>

4. OPERATING LOSS is stated after charging:

	1995 £	1994 £
Auditors' remuneration - audit fees	1,500	1,500
- non audit fees	500	500
Emoluments of the directors	<u>44,199</u>	<u>47,660</u>

Directors' emoluments, excluding pension contributions, comprise:

	1995	1994
Highest paid director	<u>£ 13,626</u>	<u>£ 9,880</u>
<i>Other directors in scale:</i>	No	No
Nil to £5,000	1	1
£10,001 to £15,000	<u>1</u>	<u>1</u>

JOHN STUART (MURRIAL) LIMITED
NOTES ON THE ACCOUNTS - 5 APRIL 1995

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5. OTHER INCOME

	1995 £	1994 £
Insurance claims	-	3,854
Rent and wayleaves	<u>4,289</u>	<u>1,173</u>
	<u>£ 4,289</u>	<u>£ 5,027</u>

6. INTEREST AND FINANCE COSTS

	1995 £	1994 £
Overdraft interest	6,538	4,984
Hire purchase interest	<u>500</u>	<u>-</u>
	<u>£ 7,038</u>	<u>£ 4,984</u>

7. EXCEPTIONAL ITEM

	1995	1994
Gain on sale of freehold land	<u>£ 67,500</u>	<u>£ 86,168</u>

During the year the company disposed of its interest in two plots of land.

8. TAXATION *based on the profit/(loss) for the year comprises:*

	1995	1994
UK corporation tax at 25%	<u>£ 7,280</u>	<u>£ -</u>

JOHN STUART (MURRIAL) LIMITED
NOTES ON THE ACCOUNTS - 5 APRIL 1995

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9. DIVIDENDS

	1995	1994
Ordinary - final proposed	<u>£ 25,000</u>	<u>£ -</u>

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Implements and plant £	Leased assets £	Total £
COST					
At 5 April 1994	213,437	14,644	47,115	40,000	315,196
Additions	-	12,610	5,774	-	18,384
Disposals	<u>(500)</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
At 5 April 1995	<u>212,937</u>	<u>22,754</u>	<u>52,889</u>	<u>40,000</u>	<u>328,580</u>
DEPRECIATION					
At 5 April 1994	-	9,608	18,083	26,666	54,357
Charge for year	-	3,999	8,342	6,666	19,007
Relating to disposals	<u>-</u>	<u>(4,313)</u>	<u>-</u>	<u>-</u>	<u>(4,313)</u>
At 5 April 1995	<u>-</u>	<u>9,294</u>	<u>26,425</u>	<u>33,332</u>	<u>69,051</u>
Net book amounts at:					
5 April 1995	<u>£ 212,937</u>	<u>£ 13,460</u>	<u>£ 26,464</u>	<u>£ 6,668</u>	<u>£ 259,529</u>
5 April 1994	<u>£ 213,437</u>	<u>£ 5,036</u>	<u>£ 29,032</u>	<u>£ 13,334</u>	<u>£ 260,839</u>

JOHN STUART (MURRIAL) LIMITED
NOTES ON THE ACCOUNTS - 5 APRIL 1995

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11. STOCKS

	1995 £	1994 £
Cattle	32,334	40,030
Sheep	17,715	11,163
Crops	4,300	3,600
Seeds, packaging and fertilisers	13,634	1,600
Fuel	400	300
	<u>£ 68,383</u>	<u>£ 56,693</u>

12. DEBTORS

	1995 £	1994 £
Trade debtors	9,451	3,034
Other debtors	7,065	7,463
Unquoted investment	200	200
	<u>£ 16,716</u>	<u>£ 10,697</u>

13. CREDITORS: *amounts falling due within one year*

	1995 £	1994 £
Bank overdraft	43,766	81,648
Trade creditors	10,595	2,780
Accruals and deferred income	5,593	2,150
Obligations under finance leases and hire purchase	5,000	5,000
Due to holding company	76	76
Other creditors	6,520	-
Directors' loan	8,295	-
Corporation tax	5,030	-
Proposed final dividend	25,000	-
	<u>£ 109,875</u>	<u>£ 91,654</u>

The bank overdraft is secured by a floating charge on the whole property and undertaking.

JOHN STUART (MURRIAL) LIMITED
NOTES ON THE ACCOUNTS - 5 APRIL 1995

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14. CREDITORS: *amounts falling due after more than one year*

	1995 £	1994 £
Obligations under finance leases and hire purchase contracts	-	5,000
Directors' loan	<u>49,500</u>	<u>48,212</u>
	<u>£ 49,500</u>	<u>£ 53,212</u>

15. CALLED UP SHARE CAPITAL

	1995 & 1994
Authorised: Ordinary shares of £1 each	<u>£ 500,000</u>
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>£ 247,865</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the year	4,920	3,983
Shareholders' funds at the beginning of the year	<u>244,363</u>	<u>240,380</u>
Shareholders' funds at the end of the year	<u>£ 249,283</u>	<u>£ 244,363</u>

17. STAFF NUMBERS

The average number of persons employed by the company, including directors, during the year was 4.

18. ULTIMATE HOLDING COMPANY

The company's whole issued share capital is owned by Codepart Limited which is a company registered in Scotland.