

J L KIER & COMPANY LIMITED

Registered Number 264056

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002



J L KIER & COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 30th June 2002.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated to carry on the business of building and civil engineering construction. The Company did not trade during the year. On 27 March 2002, the Company waived intercompany debtor balances with certain group undertakings totalling £2,000,000.

2. RESULTS AND DIVIDENDS

	£000
The loss for the year after taxation dealt with in the accounts is:	2,000

The directors do not recommend the payment of a dividend (2001 £nil).

3. DIRECTORS

The directors of the Company during the year were:-

D V Brand	MA FCA	Resigned 24 November 2001
D E Mattar	BSC FCA	Appointed 26 November 2001
H C Marshall	FCIS	Appointed 26 November 2001

4. DIRECTORS' INTERESTS

The directors had the following beneficial interests in the Ordinary Shares of Kier Group plc:-

	30th June 2002		1st July 2001	
	Shares	Options	Shares	Options
H C Marshall	184,946	651	183,362	6,533

No options were granted or exercised during the year.

Any interests of directors who were also directors of the holding company or the ultimate holding company at 30th June 2002 appear in the directors' report of that company.

5. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of affairs of the Company and of the profit or loss for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;

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- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also 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 have a general responsibility for taking steps that are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

6. AUDITORS

KPMG Audit Plc was appointed as auditor to fill a casual vacancy arising during the year.

By Order of the Board



H C Marshall
SECRETARY

Tempsford Hall
Sandy
Bedfordshire
SG19 2BD

16 September 2002

J L KIER & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2002

	Notes £000	2002 £000	2001
Administrative expenses	2	<u>(2,000)</u>	<u>-</u>
Loss on ordinary activities before taxation		(2,000)	-
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(2,000)</u>	<u>-</u>

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BALANCE SHEET

At 30 June 2002

	Notes £000	2002 £000	2001
Current Assets			
Debtors:			
Amounts falling due within one year:			
Amounts due from group undertakings		<u>-</u>	<u>2,000</u>
Net Assets		<u>-</u>	<u>2,000</u>
Capital and Reserves			
Called up share capital	5	2,000	2,000
Profit and loss account	6	<u>(2,000)</u>	<u>-</u>
Equity shareholders' funds	7	<u>-</u>	<u>2,000</u>

The accounts were approved by the Board of Directors on 16 September 2002 and were signed on its behalf by:



D E MATTAR

Director

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NOTES TO THE ACCOUNTS

1 Principal Accounting Policies

The accounting policies adopted are disclosed below.

Basis of Preparation:

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

2 Administrative expenses

On 27 March 2002, the Company waived intercompany debtor balances with certain group undertakings totalling £2,000,000.

There are no directors' emoluments for the current year (2001: £nil).

The Company had no employees during the year (2001: nil)

3 Tax on loss on ordinary activities

There is no tax credit for the current year as the expenditure is not deductible for tax purposes.

4	Called up Share Capital	2002 £000	2001 £000
	Authorised, allotted, called up and fully paid 8,000,000 Ordinary shares of 25p each	<u>2,000</u>	<u>2,000</u>
5	Profit and loss account	2002 £000	2001 £000
	At 1 July 2001	-	-
	Loss for the financial year	<u>(2,000)</u>	<u>-</u>
	At 30 June 2002	<u>(2,000)</u>	<u>-</u>

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NOTES TO THE ACCOUNTS

6	Reconciliation of movements in shareholders funds	2002	2001
		£000	£000
	At 1 July 2001	2,000	2,000
	Loss for the financial year	<u>(2,000)</u>	<u>-</u>
	At 30 June 2002	<u>-</u>	<u>2,000</u>

7 Ultimate Holding Company

The company is a wholly owned subsidiary of Kier Limited.

The company's ultimate holding company is Kier Group plc, (registered in England and Wales). Copies of the group accounts will be filed with Companies House, Crown Way, Cardiff where they will be available to the public.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

J L Kier & Company Limited

We have audited the accounts on pages 3 to 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on pages 1 and 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

Basis of audit 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 Group'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 accounts give a true and fair view of the state of the Company's affairs as at 30 June 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB
16 September 2002