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KINGSGATE TRUSTEES LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR TO 31ST MARCH 1990

The directors present their report and the audited accounts for the year to 31st March 1990. The principal activity of the Company is acting as trustee to the Kingsgate Pension Scheme. No revenue accrues to the Company and a profit and loss account is not therefore presented.

The directors are not aware of any important events affecting the Company which have occurred since the end of the year.

The directors who served during the year were:

Sir James Duncan
Mr. J.D. Lockhart
Mr. D.S. Horner
Mr. R.D. Garwood

According to the register kept by the Company, no director has an interest in shares or debentures of the Company. Since 1st April 1990 Mr J D Lockhart has resigned and Mr F Wilson has been appointed a Director.

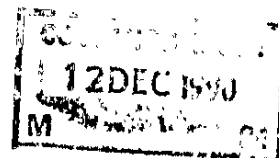
The interests at 31st March 1990 including family and non-beneficial interests of the directors (other than directors who are also directors of the Company's holding company) in ordinary shares and debentures of Transport Development Group PLC ('TDG') were as shown below together with the interests at 1st April 1989.

		<u>01.4.89</u>	<u>31.3.90</u>
Mr. R.D. Garwood	Ordinary shares of TDG	37,404	37,404
	Ordinary share options of TDG	20,000	20,000

A resolution will be proposed at the Annual General Meeting to re-appoint BDO Binder Hamlyn auditors of the Company.

By order of the Board

John K...



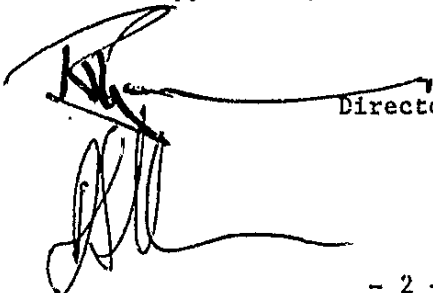
KINGSGATE TRUSTEES LIMITED

BALANCE SHEET AS AT 31ST MARCH 1990

	As at 31st March 1990	As at 31st March 1989
CURRENT ASSETS		
DEBTOR:		
Amount owed by parent company	£ 5 ===	£ 5 ===
CAPITAL AND RESERVES		
Called up share capital		
Authorised	£ 100 =====	£ 100 =====
100 ordinary shares of £1 each		
Allotted, issued and fully paid		
5 ordinary shares of £1 each	£ 5 ===	£ 5 ===

NOTES:-

1. No profit and loss account is attached as the Company neither received any remuneration for its services nor incurred any expenses during the year to 31st March 1990. None of the directors who served during the period including the Chairman received any emoluments from the Company (year ended 31st March 1989 - NIL).
2. There are assets under administration and held on trust by the Company for the Kingsgate Pension Scheme and not included above which had a market value at 31st March 1990 of approximately £64,909,000 (1989 £58,493,000).
3. The Company's ultimate holding company is Transport Development Group PLC which is incorporated in Great Britain.
4. The accounts were approved by the Board of Directors on *23 August 1990*


Directors

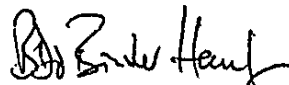
REPORT OF THE AUDITORS

TO THE MEMBERS OF KINGSGATE TRUSTEES LIMITED

We have audited the Financial Statement on page 2 in accordance with Auditing Standards.

In our opinion the Financial Statement gives a true and fair view of the state of the Company's affairs at 31st March 1990 and has been properly prepared in accordance with the Companies Act 1985.

3 October 1990
London


Chartered Accountants