

KINGDOMWIDE DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998



KINGDOMWIDE DEVELOPMENTS LIMITED

<u>CONTENTS</u>	<u>PAGE</u>
Company Details	2
Report of the Director	3
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

KINGDOMWIDE DEVELOPMENTS LIMITED

COMPANY DETAILS

Director	The North British Housing Association Limited	
Group Chief Executive	D Cowans	
Company Secretary	G A R Fordyce	Appointed 3 July 1998
	D M Tolson	Resigned 3 July 1998
Registered Office	4 The Pavilions Portway Preston PR2 2YB	
Bankers	Co-Operative Bank Plc 147 Church Street Preston PR1 3UD	
Registered Auditors	PricewaterhouseCoopers 8 Princes Parade St Nicholas Place Liverpool L3 1QJ	
Registration of Company	1310093	

KINGDOMWIDE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 MARCH 1998

The Director is pleased to present the report and financial statements for the year ended 31 March 1998.

Activities

The Company was set up with the primary aim of developing property for the purpose of cost sale. The Director has no current plans to undertake any more such development. The Company has ongoing management responsibilities, undertaken by North British Housing Association Limited, and sales of retained equity on properties previously developed.

Review of Business and future developments

The profit for the year before and after taxation was £235,066 (1997: £50,004). The profit in the year extinguishes the accumulated losses carried forward from 1997 of £116,296. This is as a direct result of the sales in the year which generated a surplus of £174,945. It is expected that profits on the continuing activities will continue in the future.

Dividends

The Director does not recommend the payment of a dividend.

Directors Interests

The sole Director of the Company is North British Housing Association Limited. It's interest in the shares of the Company at the beginning and end of the year was 200,109 shares.

KINGDOMWIDE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTOR (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1998

Statement of Director's Responsibilities

The Director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

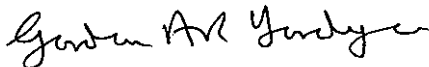
The Director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1998. The Director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Director is responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers, will be proposed at the annual general meeting.

By order of the Board



**G A R Fordyce
Company Secretary**

12 August 1998

KINGDOMWIDE DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF THE COMPANY

We have audited the financial statements on pages 6 to 16.

Respective Responsibilities of the Director and the Auditors

As described on page 4, the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

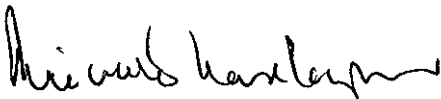
Basis Of Opinion

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 director 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 have 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 affairs of the Company as at 31 March 1998, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Liverpool
12 August 1998

KINGDOMWIDE DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998	1997
		£	£
Turnover		447,594	283,773
Total turnover	2	<u>447,594</u>	<u>283,773</u>
Gross profit		<u>447,594</u>	<u>283,773</u>
Administrative expenses	2	(234,777)	(243,068)
Operating profit		<u>212,817</u>	<u>40,705</u>
Interest receivable and similar income		22,249	9,299
Profit on ordinary activities before and after taxation	4	<u>235,066</u>	<u>50,004</u>
Retained loss brought forward		(116,296)	(166,300)
Retained profit/(loss) carried forward		<u><u>118,770</u></u>	<u><u>(116,296)</u></u>

The company has no recognised gains and losses other than the profit 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 after taxation and the profit for the year stated above, and their historical cost equivalents.

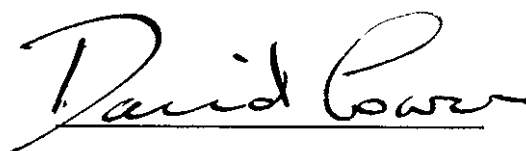
KINGDOMWIDE DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	1997 £
Current Assets			
Investments	9	796,134	541,522
Debtors	10	78,096	58,466
Cash at bank and in hand		<u>11,546</u>	<u>1,472</u>
		885,776	601,460
Creditors - Amounts falling due within one year	11	(67,571)	(117,514)
Net Current Assets		<u>818,205</u>	<u>483,946</u>
Total Assets less current liabilities			
		818,205	483,946
Provisions for liabilities and charges	12	(499,335)	(400,142)
		<u>318,870</u>	<u>83,804</u>
Capital and reserves			
Called up share capital	13	200,100	200,100
Profit and loss account		118,770	(116,296)
Equity shareholders' funds		<u>318,870</u>	<u>83,804</u>

The financial statements on pages 6 to 16 were approved by the director on 12 August 1998 and were signed on its behalf by:

D Cowans
Group Chief Executive



KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

a) Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more significant policies, which have been applied on a consistent basis, is set out below.

b) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

c) Going concern

Following the sale of the housing assets of Grove Village to the parent company on 29th March 1996, the outstanding long term loans have been repaid. The company will cease to make losses, and future profits will eliminate the accumulated loss.

d) Sales of properties and retained equity

The objective of the Company is to develop properties and to sell them at cost. The difference between the proceeds and the market value of the properties at the date of sale constitutes the Company's equity in the property. The Company may only benefit from this equity when the property is resold.

KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	1998			
	Turnover	Cost of Sales	Operating costs	Operating surplus/(deficit)
	£	£	£	£
Income and expenditure from lettings	256,994	-	(217,941)	39,053
Other income and expenditure				
Sale of housing accommodation	174,945	-	-	174,945
Other	15,655	-	(16,836)	(1,181)
Total	<u>447,594</u>	<u>-</u>	<u>(234,777)</u>	<u>212,817</u>

	1997			
	Turnover	Cost of Sales	Operating costs	Operating surplus/(deficit)
	£	£	£	£
Income and expenditure from lettings	257,513	-	(220,116)	37,397
Other income and expenditure				
Sale of housing accommodation	25,400	-	-	25,400
Other	860	-	(22,952)	(22,092)
Total	<u>283,773</u>	<u>-</u>	<u>(243,068)</u>	<u>40,705</u>

KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1998

3. PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS

	1998	1997
	Shared Ownership	Shared Ownership
	£	£
Income from lettings		
Rent receivable net of service charges	220,932	214,133
Service charges receivable	36,062	43,380
Gross rents receivable	256,994	257,513
LESS: Rent losses from voids	-	-
Net rents receivable	256,994	257,513
Revenue grants from local authorities and other agencies	-	-
Revenue grants from the Housing Corporation	-	-
Revenue grants received for major repairs	-	-
Other income	-	-
Total income from lettings	256,994	257,513
Expenditure on letting activities		
Services	(36,062)	(43,671)
Management	(77,163)	(72,571)
Routine Maintenance	(101,497)	(101,493)
Rent losses from bad debts	-	-
Major repairs expenditure	-	-
Other costs	(3,219)	(2,381)
Total expenditure on lettings	(217,941)	(220,116)
Operating Surplus on letting activities	39,053	37,397

KINGDOMWIDE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

4. PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

The profit on ordinary activities before and after taxation is stated after charging the following:-

Auditors' remuneration		
-Audit services	2,000	1,510
-Other services	1,350	2,896
	<hr/>	<hr/>

5. DIRECTORS' EMOLUMENTS

The Director received no emoluments as Director during the year (1997: Nil).

6. EMPLOYEES

The Company had no employees during the year (1997: None). Administrative services are provided by The North British Housing Association Limited and these are recharged to the Company.

KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1998

7. TAXATION

No Charge to Corporation Tax is expected to arise in view of the anticipated availability of group relief.

8. PROPERTIES UNDER DEVELOPMENT

The Company has sold properties in prior years at less than market value. The retained equity, termed "sleeping equity", has not been reflected in the balance sheet. The surplus which would arise in the event of the disposal of the sleeping equity is currently estimated at £2,482,655 (1997: £2,657,600). Any surplus will be accounted for at its disposal.

9. INVESTMENTS

	1998	1997
	£	£
Bank deposits repayable within one month	<u>796,134</u>	<u>541,522</u>

The above investment includes sums equivalent to the provision for future repairs and maintenance in 1998 (note 12).

10. DEBTORS

	1998	1997
	£	£
Rent arrears	36,688	33,901
Bad debts provision	(11,813)	(11,813)
Other debtors	50,944	36,378
Amounts due from parent company	2,277	-
	<u>78,096</u>	<u>58,466</u>

KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1998

11. CREDITORS - Amounts falling due within one year

	1998 £	1997 £
Prepaid rent	18,827	18,233
Amounts owed to parent company	-	42,858
Other creditors	48,744	56,423
	<u>67,571</u>	<u>117,514</u>

The debtors and creditors have been reclassified as the director considers that the disclosures shown above are more informative than those required by the Companies Act.

12. PROVISIONS FOR LIABILITIES AND CHARGES

Under the terms of leases entered into with individual leaseholders, the Company is required to provide for future repairs and maintenance.

	1998 £	1997 £
Provision at start of year	400,142	303,332
Adjustment to provision at start of year	<u>(265)</u>	<u>1,526</u>
	399,877	304,858
Add: Provision in the year	101,497	101,493
Add: Interest added to provision	24,829	15,626
Less: Expenditure from provision	<u>(26,868)</u>	<u>(21,835)</u>
	<u>499,335</u>	<u>400,142</u>

No amounts have been transferred to or from the provision for any purpose other than that for which the provision was set up.

KINGDOMWIDE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

13. SHARE CAPITAL

	1998 £	1997 £
AUTHORISED, ISSUED AND FULLY PAID		
200,100 Ordinary shares of £1 each	200,100	200,100

14. COMMITMENTS

There were no capital commitments at 31 March 1998 (1997: Nil).

15. CONTINGENT LIABILITIES

There are no known contingent liabilities at 31 March 1998 (1997: Nil).

16. CASHFLOW STATEMENTS

A cashflow statement has not been prepared as Kingdomwide Developments Limited is a wholly owned subsidiary of The North British Housing Association Limited, which has prepared a consolidated cashflow statement, complying with Revised Financial Reporting Standard 1.

KINGDOMWIDE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1998

17. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Opening shareholders' funds	83,804	33,800
Profit for the financial year	235,066	50,004
Closing shareholders' funds	<u>318,870</u>	<u>83,804</u>

18. PARENT UNDERTAKINGS AND GROUP TRANSACTIONS

The Company is a wholly owned subsidiary of The North British Housing Association Limited which prepares group accounts, a copy of which can be obtained from the Company Secretary at the registered office.

Group bodies are as follows:

Bodies incorporated under the Industrial and Provident Societies Act 1965:

East British Housing Association Limited

North British (First) Housing Society Limited

North British (Third) Housing Association Limited*

North British Housing Association Limited*

* These housing associations are registered with the Housing Corporation

Companies incorporated under the Companies Acts 1985:

Kingdomwide Developments Limited

Kingdomwide Limited

North British Housing Trust Limited

North British Landscapes Limited

North British Retirement Homes Limited

North British Urban Renewal Limited

All group bodies are incorporated in England and Wales

The Company reimburses the North British Housing Association Limited for management services provided.

KINGDOMWIDE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 1998

13. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of The North British Housing Association Limited. Since the parent company publishes consolidated group accounts, the Company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS8.