

KEEPMOAT LIMITED**Report of the Directors for the year ended 31 March 1992**

1 The directors submit their report and the audited financial statements for the year ended 31 March 1992. The company has not traded during the year and has made neither profits nor losses.

Dividends

2 The directors do not recommend the payment of a dividend in respect of the year ended 31 March 1992 (1991: £Nil).

Directors

3 The directors of the company at 31 March 1992, both of whom have been directors for the whole of the year ended on that date, were:

Mr T G Bramall
Mr R Watson

In accordance with the Articles of Association neither of the directors is required to retire by rotation.

Directors' interests in shares of group companies

4 Mr T G Bramall and Mr R Watson are directors of the holding company, Keepmoat Holdings plc, and their interests in the shares of group companies are shown in the directors' report of that company.

Taxation status

5 The company is a close company within the definition contained in Section 414 of the Income and Corporation Taxes Act 1988 and there has been no change in this respect since 31 March 1992.

Auditor

6 A resolution to reappoint the auditor Coopers & Lybrand, will be proposed at the annual general meeting. Until 1 June 1992 the firm practised in the name of Coopers & Lybrand Deloitte.

By order of the board

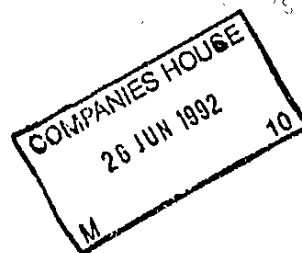


D BLUNT

Secretary

WADSWORTH

5 June 1992



AUDITOR'S REPORT TO THE MEMBERS OF
KEEPMOAT LIMITED

We have audited the financial statements on pages 3 to 5 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1992 and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

COOPERS & LYBRAND

Chartered Accountants and Registered Auditor

SHEFFIELD

5 June 1992

KEEPMOAT LIMITED

Balance sheet - 31 March 1992

	<u>Notes</u>	<u>1992 and 1991</u> £
Current assets		
Debtors	3	1,149,136
Cash at bank and in hand		7,771
Net Assets		<u>1,156,907</u>
Capital and reserves		
Called up share capital	4	90,749
Profit and loss account		1,066,158
Shareholders funds		<u>1,156,907</u>

These financial statements were approved by the board on 5 June 1992 and are signed on its behalf by:

T G BRAMALL }
 } Directors
 R WATSON }

R. Watson

KEEPMOAT LIMITED

Notes to the financial statements - 31 March 1992

1 Principal Accounting Policies

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

2 Trading

The company has not traded during the year, and has made neither profits nor losses.

3 Debtors

	<u>1992 and 1991</u> £
Amounts owed by holding company	<u>1,149,136</u>

Amounts owed by holding company includes £1,000,000 which falls due after more than one year from the balance sheet date and which is interest free.

4 Share capital

	<u>1992 and 1991</u>	
	<u>Authorised</u> £	Issued, called up & <u>fully paid</u> £
Ordinary shares of £1 each	<u>90,749</u>	<u>90,749</u>

5 Contingent liabilities

The company has given fixed and floating charges over its assets and undertakings, including fixed charges over book debts, in favour of its bankers as security for overdraft facilities. In addition, the company, jointly and severally with other group companies, has given a multilateral guarantee to its bankers in connection with overdraft facilities. At 31 March 1992, the company was contingently liable under these arrangements in respect of the overdrafts and bank loans of group companies amounting to £1,371,823 (1991: £139,320).

In the opinion of the directors, no loss will arise in respect of this matter.

KEEPMOAT LIMITED**Notes to financial statements - 31 March 1992****6 Ultimate parent company**

The directors regard Keepmoat Holdings plc, a company registered in England and Wales, as the ultimate parent company. According to the register kept by the company, Keepmoat Holdings plc has a 100% interest in the equity capital of Keepmoat Limited at 31 March 1992.