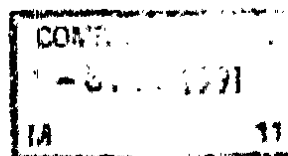


22-4-382

KIER ALBANY DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 1990



KIER ALBANY DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 30 June 1990.

1 PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is property development. During the year under review the Company completed the development of Crown House, Rickmansworth.

2 RESULTS AND DIVIDENDS

The loss for the year dealt with in the accounts is £541,000. The directors do not recommend the payment of any dividend.

3 DIRECTORS

The current Directors of the Company are:

M L Kippen	Appointed 24.7.89
M J H Laws	Appointed 24.7.89
R Jones	
N Barnett	

J O M Stanion and A M Comba resigned as Directors on 24 July 1989.

4 DIRECTORS SHAREHOLDINGS

None of the Directors had any interests in the Company's shares.

5 AUDITORS

On 1 January 1990 our auditors changed the name under which they practise to KPMG Peat Marwick McLintock, and accordingly have signed their report in their new name.

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of KPMG Peat Marwick McLintock as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Secretary

Tempsford Hall
Sandy
Bedfordshire

7 September 1990

PROFIT AND LOSS ACCOUNT

Year ended 30 June 1990

	Notes	1990 £	1989 £
Provision against stocks		(541,000)	-
LOSS FOR THE FINANCIAL YEAR		<hr/> (541,000) =====	<hr/> - =====

The notes on pages 5 to 6 form part of these accounts.

BALANCE SHEET

At 30 June 1990

	Notes	1990 £	1989 £
CURRENT ASSETS			
Stocks			
Land including development costs	3	2,358,000	1,462,739
Debtors	4	1,750	-
Cash at bank and in hand		<u>10,410</u>	<u>2,681</u>
		<u>2,370,160</u>	<u>1,465,420</u>
 CREDITORS - Amounts falling due within one year	 5	 <u>(2,543,495)</u>	 <u>(1,465,320)</u>
 Net current assets		 (173,335)	 100
 Provision for future costs		 <u>(367,565)</u>	 <u>-</u>
		 (540,900)	 100
		<u>=====</u>	<u>=====</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account		<u>(541,000)</u>	<u>-</u>
		 (540,900)	 100
		<u>=====</u>	<u>=====</u>


)
) Directors
)

The accounts were approved by the Board of Directors on 7 September 1990.

The notes on pages 5 to 6 form part of these accounts.

SOURCE AND APPLICATION OF FUNDS

Year ended 30 June 1990

	1990 £	1989 £
SOURCE OF FUNDS		
Loss for the year before taxation	(541,000)	-
Adjustment for item not involving the movement of funds:		
Provision	<u>367,565</u>	<u>-</u>
Utilised by operations	(173,435)	-
Issue of share capital	<u>-</u>	<u>100</u>
	<u>(173,435)</u>	<u>100</u>
APPLICATION OF FUNDS		
(Increase)/decrease in working capital		
Debtors	(1,750)	-
Stocks	(895,261)	(1,462,739)
Creditors	<u>70,660</u>	<u>537,673</u>
	<u>(826,351)</u>	<u>(925,066)</u>
Decrease in net liquid funds	<u>(999,786)</u> =====	<u>(924,966)</u> =====

NOTES TO THE ACCOUNTS

1 Principal accounting policies

The accounting policies adopted are disclosed below:

Convention:

The accounts have been prepared under the historical cost convention and on a going concern basis, which assumes that this company will continue to trade. The validity of this assumption is dependent upon the continued support of its shareholders. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify long term liabilities as current liabilities.

Stocks:

Development work in progress including land is stated at the lower of cost (including the interest cost of providing finance for property development) and estimated realisable value.

2	Profit and loss account	1990 £	1989 £
	Loss on ordinary activities is stated after charging		
	Audit fees	3,000 =====	- =====
	Directors' emoluments		

No director was in receipt of any salary or fees from the company.

3 Stocks

Land including development costs contains £435,091 (1989: £116,167) as the interest cost of providing finance for the development and has been written down to its anticipated realisable value.

4	Debtors	1990 £	1989 £
	Kier Limited	100	-
	VAT recoverable	<u>1,650</u>	<u>-</u>
		1,750	-
		<u>-----</u>	<u>-----</u>

NOTES TO THE ACCOUNTS (Contd)

	1990 £	1989 £
5 Creditors		
Bank loan	(1,935,162)	(927,647)
Kier Moss Property Development Co Limited loan	(556,735)	(490,351)
Trade creditors	(31,249)	(35,194)
Accruals	<u>(26,349)</u>	<u>(12,128)</u>
	<u>(2,543,495)</u>	<u>(1,465,320)</u>

The bank loan is secured by a debenture as a fixed and floating charge on the company's development site.

6 Taxation

The company has losses of £151,000 (1989: £nil) available for carry forward to offset against future taxable profits.

7 Called up share capital

Authorised:		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

REPORT OF THE AUDITORS TO THE MEMBERS OF
KIER ALBANY DEVELOPMENTS LIMITED

We have audited the accounts on pages 2 to 6 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 30 June 1990 and of the loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kenny Pearson

Chartered Accountants
London

7 September 1990