

**ABSOLUTE SWINDON LIMITED**

**FINANCIAL STATEMENTS FOR THE PERIOD ENDED**

**30 JUNE 2002**



## **DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the six months ended 30 June 2002.

## **PRINCIPAL ACTIVITY**

The principal activity of the company is property development. The company is a wholly owned subsidiary of Absolute Property Limited.

## **REVIEW OF THE YEAR**

Retained profit for the period was £6,989 (2001: £14,517).

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

On 10 April 2002 the company increased the amount of authorised share capital to £110,000 and issued new shares bringing the total issued share capital to £100,001.

On 12 April 2002 the shareholders of Absolute Property Limited concluded the sale of Kier Property Developments Limited (formerly Laing Property Developments Limited) to Kier Developments Limited, a joint venture between Kier Limited and Uberior Investments Limited.

## **DIRECTORS**

The directors during the period were:

D Ardern	(resigned 26 March 2002)
CJ Bond	(resigned 19 August 2002)
P Bradley	(resigned 12 April 2002)
JAJ Byrne	(appointed 12 April 2002, resigned 8 July 2002)
PJ Cummings	(resigned 12 April 2002)
RW Simkin	(appointed 12 April 2002)
IP Woods	(appointed 12 April 2002)

## **DIRECTORS' INTERESTS**

The directors of the company had no interest in the shares of the company at any time during the six months ended 30 June 2002.

**DIRECTORS' REPORT** (Continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**AUDITOR**

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditor annually and KPMG Audit Plc will therefore continue in office.

On behalf of the board



**I.P. Woods**  
**Secretary**  
**5 November 2002**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABSOLUTE SWINDON LIMITED**

We have audited the financial statements on pages 4 to 9.

**Respective responsibilities of directors and auditor**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, 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 company 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 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 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 state of the company's affairs as at 30 June 2002 and of its profit for the period 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  
Date: 5 November 2002

ABSOLUTE SWINDON LIMITED
--------------------------

**PROFIT AND LOSS ACCOUNT**

**FOR THE PERIOD ENDED 30 JUNE 2002**

	Notes	6 months ended 30 June 2002 £	12 months ended 31 December 2001 £
Turnover		123,912	18,940
Administrative expenses		<u>(2,750)</u>	<u>(3,313)</u>
<b>Operating profit</b>		<b>121,162</b>	<b>15,627</b>
Net Interest (payable) / receivable	4	<u>(111,177)</u>	<u>2,519</u>
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>9,985</b>	<b>18,146</b>
Taxation	5	<u>(2,996)</u>	<u>(3,629)</u>
<b>Retained profit for the period / year</b>	<b>10</b>	<b><u>6,989</u></b>	<b><u>14,517</u></b>

A statement of movements on reserves is given in note 10.

All gains and losses are recognised in the profit and loss account.

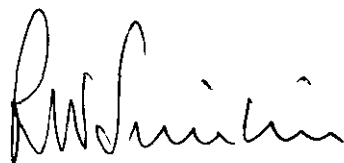
All items in the profit and loss account relate to continuing operations.

**ABSOLUTE SWINDON LIMITED**

**BALANCE SHEET AS AT 30 JUNE 2002**

	Notes	30 June 2002 £	31 December 2001 £
<b>CURRENT ASSETS</b>			
Stocks and work in progress	6	8,432,418	7,798,816
Debtors	7	257,237	200,294
Cash at bank and in hand		492,727	122,761
		<u>9,182,382</u>	<u>8,121,871</u>
<b>CURRENT LAIBILITIES</b>			
Creditors: amounts falling due within one year	8	<u>9,060,875</u>	<u>220,637</u>
<b>NET CURRENT ASSETS</b>		<b>121,507</b>	<b>7,901,234</b>
<b>Creditors: amounts falling due after more than one year:</b>			
Amounts owed to group undertakings	8	-	2,100,000
Bank Loans and advances	8	-	5,786,716
		<u>-</u>	<u>7,886,716</u>
<b>NET ASSETS</b>		<b><u>121,507</u></b>	<b><u>14,518</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100,001	1
Profit and loss account	10	21,506	14,517
		<u>121,507</u>	<u>14,518</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	<b>10</b>	<b><u>121,507</u></b>	<b><u>14,518</u></b>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 5 November 2002 and were signed on its behalf by:



**R.W. Simkin**  
Director

**NOTES**

(forming part of the financial statements)

**1. ACCOUNTING POLICIES**

(a) Basis of preparation of financial statements

These financial statements have been prepared under the historical cost accounting rules, on a going concern basis and in accordance with the reporting requirements of the Companies Act 1985 together with applicable accounting standards.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

The company is a wholly owned subsidiary undertaking of Kier Developments Limited and is exempt from the requirement to prepare its own cash flow statement under Financial Reporting Standard 1 (revised 1996).

(b) Turnover and profits

Turnover comprises sale proceeds of completed developments, progress payments on pre-sold or pre-funded developments, rental and other sundry income.

Development profits are taken on unconditional exchange of contracts on disposals of finished developments. Profits taken are subject to any provisions necessary to cover residual commitments relating to development performance. Provision is made for any losses foreseen in completing a development.

(c) Development work in progress

All work in progress is calculated for inclusion in the balance sheet at cost less any losses foreseen in completing and disposing of the development less any amounts received or receivable as progress payments or part disposals.

During the development all outgoings including finance costs, net of rental and other income, directly attributable to the development are charged to the development unless the expected overall cost is likely to exceed the directors' assessment of the realisable value.

Where development property is not being actively developed, net rental income and finance costs are taken to the profit and loss account.

(d) Deferred Taxation

In accordance with FRS 19 'Deferred tax', deferred taxation is provided fully and on a non discounted basis at expected future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

## NOTES (Continued)

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	6 Months ended 30 June 2002 £	12 Months ended 31 December 2001 £
Profit on ordinary activities before taxation is stated after charging:		

Auditors' remuneration for audit services	2,750	3,200
---	-------	-------

## 3. DIRECTORS' REMUNERATION AND STAFF NUMBERS

The directors did not receive any remuneration during the period.

The company had no employees during the period.

## 4. NET INTEREST PAYABLE

	6 Months ended 30 June 2002 £	12 Months ended 31 December 2001 £
Net interest payable comprises:		
External interest payable on bank loans and overdrafts	179,212	201,612
External interest receivable	(5,819)	(2,519)
Less: interest capitalised	(62,216)	(201,612)
	<u>111,177</u>	<u>(2,519)</u>

## 5. TAXATION

	6 Months ended 30 June 2002 £	12 Months ended 31 December 2001 £
a) <u>Analysis of tax charge in period</u>		
The amount included for taxation comprises:		
Corporation Tax at 30% (2001: 20%)	2,996	3,629
Total current tax	<u>2,996</u>	<u>3,629</u>
b) <u>Factors affecting tax charge for period</u>		
Profit on ordinary activities before taxation	<u>9,985</u>	<u>18,146</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	2,996	5,444
Effect of:		
Small company tax rate	-	(1,815)
Current tax credit for the period	<u>2,996</u>	<u>3,629</u>

c) Factors that may affect future tax charges

In the opinion of the directors there are no factors that may affect future tax charges.



## NOTES (Continued)

## 6. STOCKS AND WORK IN PROGRESS

	30 June 2002 £	31 December 2001 £
Development expenditure	8,168,590	7,597,204
Interest capitalised	263,828	201,612
	<u>8,432,418</u>	<u>7,798,816</u>

## 7. DEBTORS

	30 June 2002 £	31 December 2001 £
Amounts falling due within one year:		
Trade debtors	157,236	109,863
Amount due from group undertakings	100,001	1
Other debtors	-	90,430
	<u>257,237</u>	<u>200,294</u>

## 8. CREDITORS

	30 June 2002 £	31 December 2001 £
Amounts falling due within one year:		
Corporation tax	6,625	3,629
Amount due to group undertakings	8,816,270	-
Accruals and deferred income	237,980	217,008
	<u>9,060,875</u>	<u>220,637</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	-	2,100,000
Secured bank loans and advances	-	5,786,716

The bank loans and advances were repaid on 12 April 2002.

The amounts due to group undertakings include advances of funds made available from Kier Property Developments Limited to repay the bank loans and advances. That element which relates to the holding of property bears interest at the same rate as charged to Kier Property Developments Limited by the Bank of Scotland. The balance is interest free.

**ABSOLUTE SWINDON LIMITED**

**NOTES** (Continued)

**9. CALLED UP SHARE CAPITAL**

	30 June 2002 £	31 December 2001 £
<b>Authorised share capital</b>		
Ordinary shares of £1 each	110,000	100
	<u>110,000</u>	<u>100</u>
<b>Allotted, called up and paid</b>		
Ordinary shares of £1 each	100,001	1
	<u>100,001</u>	<u>1</u>

On 10 April 2002 the company increased the amount of authorised share capital to £110,000 by the creation of 109,900 ordinary shares of £1 each. The company issued 100,000 ordinary £1 shares bringing the total issued share capital to £100,001.

**10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**

	30 June 2002			31 December 2001
	Share Capital £	Profit and Loss Account £	Equity Shareholders' Funds £	Total £
At the beginning of the period / year	1	14,517	14,518	1
Share Capital subscribed	100,000	-	100,000	-
Profit for the period / year	-	6,989	6,989	14,517
	<u>100,001</u>	<u>21,506</u>	<u>121,507</u>	<u>14,518</u>

**11. TRANSACTIONS WITH RELATED PARTIES**

As a greater than 90% subsidiary of Kier Developments Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8, not to provide information on related party transactions with other undertakings within the Kier Developments Limited group. Note 13 gives details of how to obtain a copy of the published financial statements of Kier Developments Limited. There are no other related party transactions.

**12. CONTINGENT LIABILITIES**

The company and other companies of the Kier Developments Limited group are parties to cross guarantees in respect of the group's banking arrangements.

**13. PARENT UNDERTAKING**

The company is a wholly owned subsidiary of Absolute Property Limited, a company registered in England and Wales.

The company's ultimate parent company is Kier Developments Limited, a company registered in England and Wales. Copies of the consolidated accounts of Kier Developments Limited are filed with Companies House, Crown Way, Cardiff where they are available to the public.

Kier Developments Limited is a joint venture held 50% by Kier Limited (registered in England and Wales) and 50% by Uberior Investments plc (registered in Scotland).