

**ALFRED McALPINE HOMES EAST LIMITED**  
**(REGISTERED NUMBER 327862)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2000**



# **ALFRED McALPINE HOMES EAST LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their report and the accounts for the year ended 31 December 2000.

### **PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS**

The company had no transactions during the year. The expenses of the company have been met by a holding company.

### **RESULTS**

The company did not trade. The results for the prior year are set out on page 4 of the financial statements.

### **DIVIDENDS AND TRANSFER TO RESERVES**

During the year the company paid no dividends (1999 - £6,468,000). There is neither profit nor loss to transfer to reserves (1999: loss of £4,931,000 transferred from reserves).

### **DIRECTORS**

The following directors served throughout the period unless otherwise indicated:

SG Mills  
CJ Cant (appointed 07.02.00)  
KM Headland-Roberts (resigned 28.01.00)  
IM White  
T Hough  
SL Richards  
PT Smith  
MJ Joyce  
S Guest  
D K Nandra  
G R McCallum

None of the directors had a beneficial interest in any contract or arrangement of significance, to which the company was a party during the period, except as disclosed below.

## **ALFRED McALPINE HOMES EAST LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)**

#### **DIRECTORS' INTERESTS**

None of the directors had an interest in the share capital of this company.

The interests of G R McCallum in the shares of Alfred McAlpine PLC are shown in the financial statements of that company.

SG Mills, IM White and T Hough are directors of Alfred McAlpine Homes Limited and their interests in the share capital of Alfred McAlpine PLC are shown in the financial statements of that company. None of the other directors have an interest in the share capital of Alfred McAlpine PLC at 31 December 2000, except under the Alfred McAlpine Restricted Share Plan and the Savings Related Share Option Scheme, as mentioned below:

#### **The Alfred McAlpine Restricted Share Plan**

The Alfred McAlpine Restricted Share Plan (the "Plan") was introduced to encourage an increase in long term comparative total return to shareholders whilst providing competitive remuneration packages to Directors and senior executives.

Under the Plan, the Remuneration Committee of Alfred McAlpine PLC grants awards of restricted shares in Alfred McAlpine PLC to key executives. The shares may be released if Alfred McAlpine PLC achieves specified performance criteria and the executives remain in employment until the shares vest. The maximum value of the awards made to a participant in any year may not exceed 50% of that participant's salary.

Further details on the Plan and the performance criteria used can be found in the Report and Accounts of Alfred McAlpine PLC.

Awards made under the Plan to Directors of the Company are as follows:

<u>Date of Award</u>	<u>Name</u>	<u>Total Number of Restricted Shares</u>	<u>Value of Award as at Financial Year End*</u>	<u>Date of Vesting</u>
3 October 1996	PT Smith	15,000	£34,950	3 October 1999
17 July 1997	PT Smith	40,000	£93,200	17 July 2000
29 October 1997	PT Smith	10,000	£23,300	29 October 2000
13 May 1998	PT Smith	10,000	£23,300	13 May 2001
12 April 1999	PT Smith	10,000	£23,300	12 April 2002
27 April 2000	PT Smith	30,000	£69,900	27 April 2003
18 April 2000	SJ Guest	10,000	£23,300	18 April 2003
18 April 2000	DK Nandra	7,500	£17,475	18 April 2003
18 April 2000	MJ Joyce	7,500	£17,475	18 April 2003

## **ALFRED McALPINE HOMES EAST LIMITED**

18 April 2000	SL Richards	7,500	£17,475	18 April 2003
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\* Based on market price of Alfred McAlpine PLC ordinary shares of £2.33 at 31 December 2000.

# ALFRED McALPINE HOMES EAST LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

### DIRECTORS INTERESTS (CONTINUED)

#### The 1998 Savings Related Share Option Scheme

The 1998 Savings Related Share Option Scheme was adopted at the Annual General Meeting of Alfred McAlpine PLC held on 9 June 1998. On 30 July 1998 options over ordinary shares were granted at a price of 116.0p to Directors and employees. Further details of the Scheme can be found in the Report and Accounts of Alfred McAlpine PLC.

<u>Directors' Interests</u>	<u>1998 Savings Related Share Option Scheme</u>	
	<u>2000</u>	<u>1999</u>
	Number	Number
PT Smith	2,452	1,681
MJ Joyce	6,408	5,948
SJ Guest	6,131	-
	=====	=====

### 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 of the company 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 where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



D Nandra  
Company Secretary  
20 March 2001

# ALFRED McALPINE HOMES EAST LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £'000	<u>1999</u> £'000
<b>TURNOVER – discontinued activities</b>	2	-	21,702
Cost of sales		— -	<u>(17,088)</u>
<b>GROSS PROFIT</b>		-	4,614
Administrative expenses		— -	<u>(1,075)</u>
<b>OPERATING PROFIT – discontinued activities</b>		-	3,539
Group interest payable		— -	<u>(1,326)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-	2,213
Tax charge on profit on ordinary activities	4	— -	<u>(676)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	1,537
Dividends		— -	<u>(6,468)</u>
<b>RETAINED (LOSS) TRANSFERRED FROM RESERVES</b>	7	-	<u>(4,931)</u>

The movements on shareholder's funds are set out in note 7 to the financial statements.

The notes on pages 6 to 9 form part of these financial statements.

There were no other recognised gains and losses in the year than those shown above.

# ALFRED McALPINE HOMES EAST LIMITED

## BALANCE SHEET - 31 DECEMBER 2000

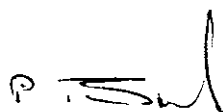
	<u>Notes</u>	<u>2000</u> £'000	<u>1999</u> £'000
<b>CURRENT ASSETS</b>			
Amounts owed by group undertakings		246	246
<b>NET ASSETS</b>		<u>246</u>	<u>246</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	1	1
Profit and loss account	7	<u>245</u>	<u>245</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	7	<u>246</u>	<u>246</u>

The company was dormant throughout the financial year.

The company was exempt from the requirement of an annual audit.

The notes on pages 6 to 9 form part of these financial statements.

Approved by the Board on 20 March 2001 and signed on its behalf by:



PT Smith  
DIRECTOR

# ALFRED McALPINE HOMES EAST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000

### 1 ACCOUNTING POLICIES

#### (1) Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### (2) Depreciation

Fixed assets are depreciated in equal annual instalments over their expected useful lives using the following annual rates:

Motor vehicles	- 25%
Office furniture and fittings	- 10%
Office machinery	- 20%
Computer equipment	- 25%

#### (3) Stocks

Stocks, which consist of land held both for and in the course of development, work in progress and part-exchange stock have been valued at the lower of cost and net realisable value. The cost of land represents the original cost of acquisition; the cost of work in progress thereon represents the cost of labour, materials, development costs and site overheads only.

#### (4) Turnover

Turnover represents the value of legally completed house and land sales, but excludes the sale of properties in part-exchange.

#### (5) Deferred taxation

Deferred taxation is accounted for on all timing differences to the extent that it is considered such differences may reverse in the foreseeable future. The provision/asset has been computed at the rates of tax anticipated to be applicable when the timing differences are expected to reverse.

#### (6) Shared equity scheme debtors

These debtors are recorded at net book value less a specific provision.



# ALFRED McALPINE HOMES EAST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (7) Pensions

Contributions to the Group's pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' services lives within the Group.

#### (8) Cash flow statement

The cash flows of the company for the year are included within the consolidated cash flow statement disclosed in the financial statements of Alfred McAlpine PLC. Therefore in accordance with the provisions of Financial Reporting Standard 1 (Revised 1996), no cash flow statement is required in these financial statements.

#### (9) Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

#### (10) Related party transactions

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under FRS 8 (Related Party Disclosures) as it is a wholly owned subsidiary.

### 2 TURNOVER – discontinued activities

Turnover represents the value of legally completed house and land sales, but excludes the sale of properties accepted in part-exchange. The net profits or losses arising on the sale of part exchanged properties are dealt with in cost of sales.

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit is stated after charging:

	<u>2000</u> £'000	<u>1999</u> £'000
Depreciation of tangible fixed assets	-	59
Auditors' remuneration	-	9
Other operating leases	-	45
Hire of plant and machinery	-	111
Loss on disposal of tangible fixed assets	<u>-</u>	<u>4</u>

# ALFRED McALPINE HOMES EAST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

### 4 TAXATION

	<u>2000</u> £'000	<u>1999</u> £'000
Corporation tax charge at 30% (1999 – 30.5%)	-	677
Deferred taxation – current year	-	2
Deferred taxation – prior year	<u>-</u>	<u>(3)</u>
	<u>-</u>	<u>1,857</u>

### 5 DIRECTORS AND EMPLOYEES

	<u>2000</u> £'000	<u>1999</u> £'000
Aggregate directors' emoluments	<u>-</u>	<u>375</u>

During the year the directors received no emoluments in respect of services to the company.

For each of the executive directors' retirement benefits are accruing under a defined benefit scheme.

Employee costs during the period including directors:

	<u>2000</u> £'000	<u>1999</u> £'000
Wages and salaries	-	1,391
Social security costs	-	108
Pension costs	<u>-</u>	<u>46</u>
	<u>-</u>	<u>1,545</u>

Average number of employees during the period whilst the company was trading including directors:

	<u>2000</u> Number	<u>1999</u> Number
Production	-	45
Sales	-	24
Administration	<u>-</u>	<u>26</u>
	<u>-</u>	<u>95</u>

### 6 SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
Authorised:		
Ordinary equity shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted and fully paid:		
Ordinary equity shares of £1 each	<u>£608</u>	<u>£608</u>

## ALFRED McALPINE HOMES EAST LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONTINUED)

#### 7 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £'000	Profit & Loss account £'000	Total £'000
At 1 January 1999	1	5,176	5,177
Retained loss	-	(4,931)	(4,931)
At 31 December 1999	1	245	246
Retained profit	-	-	-
At 31 December 2000	<u>1</u>	<u>245</u>	<u>246</u>

#### 8 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Alfred McAlpine Homes Holdings Limited, a company registered in England.

The ultimate parent undertaking Alfred McAlpine PLC, is a company registered in England. A copy of the group financial statements of the ultimate parent undertaking may be obtained from The Company Secretary, Alfred McAlpine PLC, 8 Suffolk Street, London, SW1Y 4HG.

#### 9 ACTING AS AN AGENT

The company acts as an agent for Alfred McAlpine Homes Holdings Limited. A copy of the Alfred McAlpine Homes Holdings Limited financial statements may be obtained from The Company Secretary, Alfred McAlpine PLC, 8 Suffolk Street, London, SW1Y 4HG.