

Company Number: 971795

BANORGROVE LIMITED

ACCOUNTS

14 MONTHS ENDED 31st DECEMBER 1994



REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report and audited accounts for the 14 months ended 31st December 1994.

1. **BUSINESS REVIEW**

The company's principal activity is the collection and sale of freehold ground rents.

2. **REVIEW OF OPERATIONS**

Results

During the period the company disposed of its ground rent portfolio.

The results for the period are set out on Page 4 of the accounts. It is proposed to transfer the profit of £453 (1993: £199,869) to reserves.

Dividend

A dividend of £209,700 (1993: £390,000) was paid during the year. The directors propose a further dividend of £127,700 (1993: £NIL).

3. **DIRECTORS AND DIRECTORS' INTERESTS**

a) **Members of the Board**

The following directors served during the period:

E W Grove
G R McCallum (Resigned 31.10.94)
S G Mills (Appointed 27.1.94)
B K Harvey (Appointed 31.10.94)

The director retiring by rotation is B K Harvey who, being eligible, offers himself for re-election.

b) **Interests in Contracts**

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.

Alfred McAlpine PLC maintains liability insurance on behalf of the directors and officers of the company.

REPORT OF THE DIRECTORS (Continued)

4. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the Company and of the profit 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 whether 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 also 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.

5. CHANGE IN ACCOUNTING REFERENCE DATE

Following the decision of Alfred McAlpine PLC to change its accounting reference date from 31 October to 31 December, the company has also changed its accounting reference date to 31 December. These accounts therefore include the results for the fourteen months ended 31 December 1994, with comparative figures for the year ended 31 October 1993.

6. AUDITORS

Price Waterhouse have confirmed their willingness to be reappointed for a further term in accordance with the provisions of the Companies Act 1985.

BY ORDER OF THE BOARD


S B Queen
SECRETARY
17 May 1995

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF BANORGROVE LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 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 mis-statement, 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 31 December 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

17 May 1995

Banorgrove Limited

PROFIT AND LOSS ACCOUNT

14 MONTHS ENDED 31st DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
TURNOVER		4,410	-
Cost of sales		(2,956)	-
GROSS PROFIT		1,454	-
Administration expenses		(778)	(341)
Income from shares in associated companies		337,400	703,000
Other operating income		-	670
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	338,076	703,329
Tax on profit on ordinary activities	2	(223)	(113,460)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		337,853	589,869
Dividends	3	(337,400)	(390,000)
Retained profit for the period	10	453	199,869

The movement on reserves is set out in note 10 to the accounts.

The notes on pages 6 to 10 form part of these accounts.

The result for the 14 months includes all recognised gains and losses in the year.

There is no material difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Banorgrove Limited

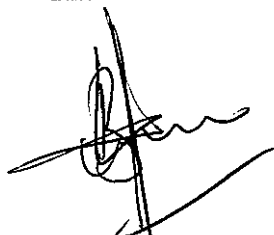
BALANCE SHEET

AS AT 31st DECEMBER 1994

	Notes	£	1994 £	£	1993 £
FIXED ASSETS					
Investments	5		25,000		25,000
CURRENT ASSETS					
Stocks	6	-		2,520	
Debtors	7	327,700		200,745	
		-----		-----	
		327,700		203,265	
CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR					
	8	(181,355)		(57,373)	
		-----		-----	
NET CURRENT ASSETS/ (LIABILITIES)					
			146,345		145,892
			-----		-----
			171,345		170,892
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		171,245		170,792
			-----		-----
SHAREHOLDERS' FUNDS	11		171,345		170,892
			=====		=====

The notes on pages 6 to 10 form part of these accounts.

The accounts and notes were approved by the Board of Directors on 17 May 1995.



B K HARVEY
DIRECTOR

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

14 MONTHS ENDED 31st DECEMBER 1994

(a) Accounting Convention

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

(b) Stocks

Freehold ground rents are valued at a multiple of four times their annual ground rental.

(c) Cash Flow Statement

The cash flows for the period are included within the consolidated cash flow statement disclosed in the accounts of Alfred McAlpine PLC. Therefore in accordance with the provisions of Financial Reporting Standard 1, no cash flow statement is required in these accounts.

NOTES TO THE ACCOUNTS

14 MONTHS ENDED 31st DECEMBER 1994

1.	<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>1994</u>	<u>1993</u>
		£	£
	Is after charging/(crediting)		
	Auditor's remuneration	300	300
	Other operating income	-	(670)
		<u> </u>	<u> </u>
2.	<u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>	<u>1994</u>	<u>1993</u>
		£	£
	Corporation tax at 33% (1993: 33%)	223	109
	Franked investment income	-	113,000
	Prior year item	-	351
		<u> </u>	<u> </u>
		223	113,460
		<u> </u>	<u> </u>
3.	<u>DIVIDENDS</u>	<u>1994</u>	<u>1993</u>
		£	£
	Dividends paid £2,097 per share (1993: £3,900)	209,700	390,000
	Dividend proposed £1,277 per share (1993: Nil)	127,700	-
		<u> </u>	<u> </u>
		337,400	390,000
		<u> </u>	<u> </u>

4. **DIRECTORS AND EMPLOYEES**

(a) **Directors' emoluments**

No director received any emoluments in the period (1993: Nil).

The company had no other employees during the period.

(b) **Directors' interests in share capital**

The interest in the shares of group companies of E W Grove and G R McCallum are shown in the notes to the accounts of Alfred McAlpine PLC.

The interests of B K Harvey and S G Mills in the shares of group companies are shown in the notes to the accounts of Alfred McAlpine Homes Limited.

NOTES TO THE ACCOUNTS

14 MONTHS ENDED 31st DECEMBER 1994

5. **FIXED ASSET INVESTMENT**

	<u>1994</u>	<u>1993</u>
	£	£
Shares in unlisted company at cost	25,000	25,000
Shares in associated undertakings at cost	50	50
	-----	-----
	25,050	25,050
Less provision against cost of shares in associated undertaking	(50)	(50)
	-----	-----
	25,000	25,000
	=====	=====

a) The investment in an unlisted company represents 10% of the issued share capital of Canberra Property Group Limited, a fellow group undertaking incorporated in Great Britain, whose principal activity is housebuilding.

b) The investment in an associated undertaking represents 50% of the issued share capital of Ashfield Investments Limited, a company incorporated in Great Britain, whose principal activity is housebuilding.

6. **STOCKS**

	<u>1994</u>	<u>1993</u>
	£	£
Freehold ground rents	-	2,520
	=====	=====

7. **DEBTORS**

	<u>1994</u>	<u>1993</u>
	£	£
Rents receivable	-	745
Dividends receivable	327,700	200,000
	-----	-----
	327,700	200,745
	=====	=====

NOTES TO THE ACCOUNTS

14 MONTHS ENDED 31st DECEMBER 1994

8. **CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>1994</u>	<u>1993</u>
	£	£
Amounts owed to group undertakings	181,132	57,064
Other creditors including taxation and social security	223	309
	-----	-----
	181,355	57,373
	=====	=====

9. **CALLED UP SHARE CAPITAL**

	<u>1994 and 1993</u>
	£
Authorised, allotted and fully paid, ordinary shares of £1 each	100
	=====

10. **PROFIT AND LOSS ACCOUNT**

At 31st October 1993	170,792
Retained profit for the period	453

As 31st December 1994	171,245
	=====

11. **RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1994</u>	<u>1993</u>
	£	£
Opening shareholders' funds	170,892	(28,977)
Profit for the period	337,853	589,869
Dividends	(337,400)	(390,000)
	-----	-----
Closing shareholders' funds	171,345	170,892
	=====	=====

12. **CONTINGENT LIABILITIES**

There are contingent liabilities in respect of a composite guarantee and debenture agreement in support of Alfred McAlpine Developments Limited group bank borrowings.

NOTES TO THE ACCOUNTS

14 MONTHS ENDED 31st DECEMBER 1994

13. **ULTIMATE PARENT UNDERTAKING**

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

A copy of the group accounts of the immediate parent undertaking may be obtained from The Company Secretary, Alfred McAlpine Developments Limited, Arden House, Oakenshaw Road, Shirley, Solihull, West Midlands, B90 4QY.

The ultimate parent undertaking is Alfred McAlpine PLC, a company registered in England.

A copy of the group accounts of the ultimate parent undertaking may be obtained from The Company Secretary, Alfred McAlpine PLC, 8 Suffolk Street, London, SW1Y 4HG.