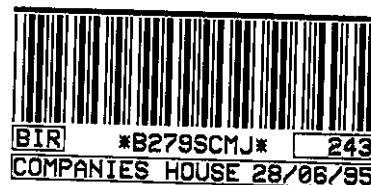


**ALFRED McALPINE DEVELOPMENTS LIMITED**  
**(REGISTERED NUMBER 1152419)**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 December 1994**



## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE 14 MONTHS ENDED 31 DECEMBER 1994**

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

#### **PRINCIPAL ACTIVITIES**

The principal activity of the group of companies is housing development within the United Kingdom.

#### **REVIEW OF OPERATIONS**

##### **Performance**

Turnover was significantly ahead of 1993 due to the combined effect of increased legal completions and higher average selling prices. Operating profit improved substantially with the operating margin from house sales increasing to 9.6 per cent (1993 - 8.0 per cent). In spite of higher working capital due to additional investment in land, interest charges remained the same, leaving pre tax profit ahead at £13.0 million (1993 - £5.5 million).

The period started in a very encouraging manner, with visitors to sites and the rate of sales reservations at a higher level than for several years. However, market demand weakened in the second half of 1994 and reservations drifted back to 1993 levels. Over the period as a whole, notable price rises were achieved in the South East, but prices remained weak generally in other areas of operation. Despite this patchy market, the Homes Division achieved its sales budget for the year, and was able to carry forward into 1995 a healthier order book for houses under construction than in any year since 1989.

Legal completions increased to 1,828 from 1,521 in 1993 (12 months) and the average selling price rose to £90,000 (1993 - £79,400). This price improvement resulted from planned changes in geographic and product mix, rather than overall selling price increases. Operating from an average of 45 sites (1993 - 43 sites) this represented a level of activity of 0.71 unit sales per site per week (1993 - 0.68), well ahead of the industry average. The average gross margin on housing developments improved from 13.8 per cent to 15.9 per cent.

Effective management of assets during the year also contributed to the strong performance of the Homes Division. With the significant expansion of the land bank in 1994, the investment in land and work in progress at 31 December 1994, net of land creditors, was £93.0 million (1993 - £64.8 million). During the period, the movement up market of the product range increased the rate of use of the part exchange scheme, with the percentage of transactions using the scheme increasing to 39 per cent (1993 - 36 per cent), but the investment in part exchange at the end of the period was limited to £10.4 million (1993 - £9.2 million).

The purchase of land is a critical area for the success of the housing industry. Planning constraints and the lack of available quality sites will maintain the upward pressure on land costs. The Homes Division continues to aim to mitigate this situation by reclaiming derelict land, which it purchases at lower prices, buying options over land and the purchase of smaller sites.

## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE 14 MONTHS 31 DECEMBER 1994 (CONTINUED)**

#### **REVIEW OF OPERATIONS (CONTINUED)**

Two major land options were successfully channelled through the planning system during 1994 and have produced 730 plots for Homes North at Northwich, Cheshire and 3,300 housing plots and 750,000 square feet of commercial space for Homes East at Cambourne, 7 miles west of Cambridge. These are significant achievements for the Homes Division and will enhance margins in the medium and longer term. Also, because of increasing scarcity of development land in areas of strong demand, these options offer the opportunity of future potential land swaps. Alfred McAlpine Developments controls a considerable acreage of further land, which it is hoped will yield similar planning success in the future. In total, £70.3 million (1993 - £31.7 million) was spent acquiring 2,725 plots at an average cost of £25,800 (1993 - £23,000) per plot and now Alfred McAlpine Developments owns or controls 7,021 plots with planning consent. The average cost per plot of owned developable land with planning consent amounts to £23,200 (1993 - £21,000)

#### **Midlands**

The company achieved 384 legal completions (1993 - 305 after excluding sites transferred to the South West Region) at a reasonable profit margin, thus consolidating its position as a basis for increasing market share in its reduced operating area.

#### **Southern**

The company sold 376 dwellings (1993 - 340) and recorded an excellent pre-tax profit margin of 13.8 per cent.

#### **North**

The company increased its output to 397 dwellings (1993 - 298) and achieved a significant increase in pre-tax profit. This was despite the market in this region remaining generally weak in 1994.

#### **East**

The company legally completed the sale of 439 dwellings (1993 - 360). It substantially improved its profit and the quality of the land bank, and entered the current year in a strong position to achieve further growth.

#### **South West**

The company achieved 228 legal completions and a reasonable pre-tax profit in its first year of trading and has established a sound platform for future growth in its region.

## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE 14 MONTHS 31 DECEMBER 1994 (CONTINUED)**

#### **Quality**

The focus upon product quality and customer service has once again attracted the objective critical appreciation of the National House Building Council, Alfred McAlpine Developments was awarded a total of twenty awards in the NHBC "Pride in the Job" campaign including fourteen "Top 100" awards, three Regional winners and, the highest accolade of all, the national Supreme Award for the manager of the Alfred McAlpine development in Ipswich. Alfred McAlpine Developments won more "Top 100" awards than any other house builder in the country, reflecting the very high and consistent performance of construction management. This is undoubtedly leading to an enhanced reputation amongst the house buying public as well as safe, efficient and well presented developments.

#### **Outlook**

New housing continues to represent excellent value for money, with higher specification and performance standards than much of the nation's existing housing stock. However, the Government is currently pursuing policies which do little to improve the outlook for the domestic economy or the housing market. The environment is an extremely challenging one, Alfred McAlpine Homes has demonstrated that it is a soundly based, strong and flexible business. It will continue to compete at the upper levels of performance for the industry.

#### **PROFIT AND DIVIDENDS**

The results for the period are set out on page 7 of the accounts and show a profit on ordinary activities before taxation of £13,023,000 (1993 profit of £5,513,000).

An interim dividend was paid of £3,448,000 (1993 - £1,951,000) and the directors propose a final dividend of £830,000 (1993 - £Nil). The profit after tax and dividends of £4,262,000 (1993 - profit of £1,352,000) has been transferred to reserves.

#### **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.

#### **DIRECTORS**

EW Grove (Chairman)  
GR McCallum  
K Lever  
GO Whitehead

The interests of EW Grove, GO Whitehead, K Lever and GR McCallum in the shares of Alfred McAlpine PLC are shown in the accounts of that company.

## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE 14 MONTHS 31 DECEMBER 1994 (CONTINUED)**

The Alfred McAlpine Developments Limited Share Option Scheme was terminated in 1992. Payments not exceeding £501,000 will be made to the remaining members of the Scheme based on the profits to 31 October 1995. Of the remaining members of the Scheme GR McCallum is a director of the company and seven others are directors of fellow subsidiaries of Alfred McAlpine Developments Limited.

Apart from the above, 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.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period 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 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 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.

### **FIXED ASSETS**

The movements on fixed assets are shown in notes 10 and 11 to the accounts.

### **DONATIONS**

Charitable donations made during the period amounted to £3,000 (1993 - £4,000). No political donations were made.

## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE 14 MONTHS 31 DECEMBER 1994 (CONTINUED)**

#### **EMPLOYEES**

It is the policy of the Group to communicate with and involve employees on matters affecting their interests at work, and inform them of the performance of the business.

It is also company policy and practice to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position. Opportunities exist for employees who become disabled to continue in their employment or be retained for another position.

#### **AUDITORS**

Price Waterhouse have indicated their willingness to be re-appointed.

By Order of the Board



GR McCALLUM  
Director

26 June 1995

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
ALFRED McALPINE DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 7 to 25 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

**Respective responsibilities of directors and auditors**

As described on page 4 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 judgments 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 affairs of the company and the group as at 31 December 1994 and of the profit of the company and the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**PRICE WATERHOUSE**  
**Chartered Accountants**  
**and Registered Auditors**

26 June 1995

# ALFRED McALPINE DEVELOPMENTS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 14 MONTHS ENDED 31 DECEMBER 1994

		14 months ended 31 December Notes 1994 £'000	12 months ended 31 October 1993 £'000
<b>TURNOVER</b>	2	177,283	122,641
Cost of Sales		(149,476)	(105,771)
<b>GROSS PROFIT</b>		27,807	16,870
Operating costs	3	(10,223)	(7,091)
<b>OPERATING PROFIT</b>		17,584	9,779
Interest receivable	4	349	341
Interest payable	5	(4,910)	(4,607)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	13,023	5,513
Tax on profit on ordinary activities	7	(4,483)	(2,210)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		8,540	3,303
Dividends on equity shares	9	(4,278)	(1,951)
<b>RETAINED PROFIT TRANSFERRED TO RESERVES</b>	19	4,262	1,352

Movements on reserves during the period are shown in note 19 to the accounts.

The notes on pages 11 to 25 form part of these accounts.

The result for the 14 months includes all recognised gains and losses in the period. There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.



# ALFRED McALPINE DEVELOPMENTS LIMITED

## COMPANY PROFIT AND LOSS ACCOUNT FOR THE 14 MONTHS ENDED 31 DECEMBER 1994

		14 months ended 31 December Notes 1994 £'000	12 months ended 31 October 1993 £'000
<b>TURNOVER</b>		-	-
<b>OPERATING PROFIT</b>		-	-
Income from shares in group undertakings		<u>4,478</u>	<u>2,517</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,478	2,517
Tax on profit on ordinary activities	7	<u>(200)</u>	<u>(566)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		4,278	1,951
Dividends	9	<u>(4,278)</u>	<u>(1,951)</u>
<b>RETAINED PROFIT</b>	19	-	-

Movements on reserves during the 14 months are shown in note 19 to the accounts.

The notes on pages 11 to 25 form part of these accounts.

# ALFRED McALPINE DEVELOPMENTS LIMITED

## CONSOLIDATED BALANCE SHEET - 31 DECEMBER 1994

	Notes	31 December 1994		31 October 1993	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	10	2,148		1,887	
Investments	11	<u>1,009</u>		<u>3,016</u>	
			3,157		4,903
<b>CURRENT ASSETS</b>					
Stocks	12	129,510		89,896	
Debtors	13	27,256		19,775	
Cash at bank and in hand		<u>6,083</u>		<u>13,937</u>	
		162,849		123,608	
<b>CREDITORS (amounts falling due within one year)</b>	14	<u>(87,079)</u>		<u>(68,000)</u>	
<b>NET CURRENT ASSETS</b>			<u>75,770</u>		<u>55,608</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			78,927		60,511
<b>CREDITORS (amounts falling due after more than one year)</b>	15		<u>(24,118)</u>		<u>(11,109)</u>
			54,809		49,402
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		13,542		13,542
Share premium account	18		23,657		23,657
Other reserve	18		1,145		-
Profit and loss account	19		<u>16,465</u>		<u>12,203</u>
			54,809		49,402

The notes on pages 11 to 25 form part of these accounts.

Approved by the Board on 26 June 1995

DIRECTOR

GR McCallum



# ALFRED McALPINE DEVELOPMENTS LIMITED

## BALANCE SHEET - 31 DECEMBER 1994

	Notes	31 December 1994 £'000	31 October 1993 £'000
<b>FIXED ASSETS</b>			
Investments	11	1	1
<b>CURRENT ASSETS</b>			
Debtors	13	<u>47,452</u>	<u>47,452</u>
<b>TOTAL ASSETS</b>		47,453	47,453
<b>CREDITORS</b> (amounts falling due after more than one year)	15	<u>(10,000)</u>	<u>(10,000)</u>
		37,453	37,453
		<u>=====</u>	<u>=====</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	13,542	13,542
Share premium account	18	23,657	23,657
Profit and loss account	19	<u>254</u>	<u>254</u>
		37,453	37,453
		<u>=====</u>	<u>=====</u>

The notes on pages 11 to 25 form part of these accounts.

Approved by the Board on 26 June 1995

DIRECTOR

GR McCallum



# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

### 1 ACCOUNTING POLICIES

#### (1) Basis of consolidation

The Group accounts are prepared under the historical cost convention and include the accounts of the parent undertaking, its subsidiaries and the Group's share of the results of associated undertakings. Associated undertakings are those in which the Group holds at least 20% but not more than 50% of the equity share capital and actively participates in policy decisions. The accounts have been prepared in accordance with applicable UK accounting standards.

#### (2) Goodwill

Goodwill arising on acquisition is charged directly to reserves.

#### (3) Depreciation

No depreciation is provided on freehold land. All other 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%
Leasehold premises	Over term of lease
Computer equipment	25%
Freehold property	2%

#### (4) Stocks

Stocks representing land held for, and in the course of, development and work-in-progress 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. All interest on land and work-in-progress held by the parent and subsidiary undertakings is expensed directly to the profit and loss account, and is therefore not included in the value of stocks in the balance sheet.

#### (5) Turnover

Turnover is recognised at the earlier of full receipt of cash proceeds or legal completion on the value of house and land sales. It includes the proportion of turnover of associated undertakings attributable to the Group.

#### (6) Land options

Land options comprise payments made by the company to secure future land purchase opportunities and all related professional fees and other costs. Land options are written off on a straight line basis over the length of the option period. As land options are exercised, the amortisation previously written off through the profit and loss account is written back.

## ALFRED McALPINE DEVELOPMENTS LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### (7) Shared equity scheme debtors

Shared equity scheme debtors are included within trade debtors and are valued at a discounted value to match the benefit of the loan with the future costs of financing these debtors.

##### (8) Deferred taxation

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

##### (9) Investments

Investments held as current assets are stated at the lower of cost and net realisable value.

##### (10) 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' service lives within the Group.

##### (11) Cash flow statement

The cash flows of the company 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.

##### (12) Operating leases

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

#### 2 TURNOVER

All turnover and operating profits are derived from housebuilding and land sales in the United Kingdom. Turnover includes the Group's proportionate share of turnover of associated undertakings amounting to £1,521,000 (1993 - £1,171,000).

#### 3 OPERATING COSTS

	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Group:		
Administration costs	10,223	7,091

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 4 INTEREST RECEIVABLE

	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Interest from banks	136	175
From associated undertakings	61	-
Other	<u>152</u>	<u>166</u>
	<u>349</u>	<u>341</u>

### 5 INTEREST PAYABLE

	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Bank loans and overdrafts wholly repayable within five years	695	3,431
Other	75	215
Group - parent undertaking	<u>4,140</u>	<u>961</u>
	<u>4,910</u>	<u>4,607</u>

### 6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging/(crediting)

	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Directors' emoluments (note 8)	504	400
Depreciation of tangible fixed assets	715	526
Auditors' remuneration	127	85
Operating lease rentals:		
Hire of plant and machinery	821	631
Other	658	427
Profit on disposal of tangible fixed assets	221	5
Write-back of land option amortisation	<u>(301)</u>	<u>-</u>
	<u>978</u>	<u>1,329</u>

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Group		Company	
	14 months ended	12 months ended	14 months ended	12 months ended
	31 December 1994	31 October 1993	31 December 1994	31 October 1993
	£'000	£'000	£'000	£'000
Corporation tax at 33% (1993 - 33%)	3,976	1,894	-	-
Associated undertakings	53	-	-	-
Deferred taxation (Note 16)	537	278	200	-
Franked investment income	-	-	-	566
Prior year adjustments	(83)	38	-	-
	4,483	2,210	200	566

### 8 DIRECTORS AND EMPLOYEES

	14 months ended	12 months ended
	31 December 1994	31 October 1993
	£'000	£'000
Directors' emoluments (including pension contributions):	504	400
Emoluments (excluding pension contributions):		
Chairman and highest paid director	292	203
	1994	1993
	Number	Number

Including the above, the emoluments of directors fell in the following scale:

£0 - £5,000	2	4
£155,001 - £160,000	-	1
£200,001 - £205,000	-	1
£205,001 - £210,000	1	-
£290,001 - £295,000	1	-

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 8 DIRECTORS AND EMPLOYEES (CONTINUED)

	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Employee costs during the period including directors:		
Wages and salaries	9,605	6,907
Social security costs	836	655
Other pension costs	<u>190</u>	<u>104</u>
	<u>10,631</u>	<u>7,666</u>

Average number of employees during the period, including directors:

	<u>Number</u>	<u>Number</u>
Sales	111	99
Production	108	94
Administration	<u>161</u>	<u>106</u>
	<u>380</u>	<u>299</u>

### 9 DIVIDENDS

	<u>Group and Company</u>	
	14 months ended 31 December 1994 £'000	12 months ended 31 October 1993 £'000
Ordinary 'A'	1,656	755
Ordinary	<u>2,622</u>	<u>1,196</u>
	<u>4,278</u>	<u>1,951</u>
Interim	3,448	1,951
Final	<u>830</u>	<u>-</u>
	<u>4,278</u>	<u>1,951</u>



# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 10 TANGIBLE FIXED ASSETS

GROUP	Land and buildings £'000	Plant and equipment £'000	Total £'000
<b><u>Cost</u></b>			
At 31 October 1993	693	2,838	3,531
Additions	-	1,528	1,528
Disposals	(561)	(324)	(885)
At 31 December 1994	132	4,042	4,174
	—	—	—
<b><u>Depreciation</u></b>			
At 31 October 1993	74	1,570	1,644
Provided during the period	14	701	715
Disposals	(71)	(262)	(333)
At 31 December 1994	17	2,009	2,026
	—	—	—
<b><u>Net book value</u></b>			
At 31 December 1994	115	2,033	2,148
	—	—	—
At 31 October 1993	619	1,268	1,887
	—	—	—
The net book value of land and buildings comprises:			
Freehold	108		
Long leasehold	7		
	115		
	—		

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 11 FIXED ASSET INVESTMENTS

	Group		Company	
	31 December 1994	31 October 1993	31 December 1994	31 October 1993
	£'000	£'000	£'000	£'000
Shares in subsidiary undertakings	-	-	1	1
Unlisted investments in associated undertakings	1,009	3,016	-	-
Other participating interests	-	-	-	-
	1,009	3,016	1	1

#### Shares in subsidiary undertakings:

The principal subsidiaries are:

Alfred McAlpine Homes East Limited  
 Alfred McAlpine Homes Midlands Limited  
 Alfred McAlpine Homes Southern Limited  
 Alfred McAlpine Homes North Limited  
 Alfred McAlpine Homes South West Limited  
 Alfred McAlpine Projects Limited  
 McHawk Limited

All subsidiary undertakings, whose principal activity is housing development, are wholly owned and incorporated in Great Britain.

The investments in subsidiaries within the Group are held by an intermediate parent undertaking, Alfred McAlpine Homes Limited which is incorporated in Great Britain.

#### Unlisted investments in associated undertakings:

Group	Shares at cost £'000	Loans less provisions £'000	Net post acquisition reserves £'000	Total £'000
At 31 October 1993	1,006	5,180	(3,170)	3,016
Loan (repayments)/advances	-	241	-	241
Share of losses	-	-	(978)	(978)
Reclassification on acquisition	-	(1,457)	187	(1,270)
At 31 December 1994	1,006	3,964	(3,961)	1,009

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 11 FIXED ASSET INVESTMENTS (CONTINUED)

The principal associated undertakings are:

Paycause Limited (33%)	Fairpine Limited
Bishops Park Limited	Compine Developments Limited
Ampwyn Developments Limited	Showpine Limited
	Knightpine Limited

All companies, whose principal activities are housing and general development, are incorporated in Great Britain and, unless otherwise indicated, the Group has a 50% shareholding. Subsequent to the period end the company purchased the remaining 50% issued share capital of Ampwyn Development Limited.

#### Other participating interests:

	Group		Company	
	31 December	31 October	31 December	31 October
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Listed shares at cost	8	8	-	-
Provision	(8)	(8)	-	-
	-	-	-	-
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

### 12 STOCKS

	Group		Company	
	31 December	31 October	31 December	31 October
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Land and work in progress	129,510	89,896	-	-
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 13 DEBTORS

	Group		Company	
	31 December 1994	31 October 1993	31 December 1994	31 October 1993
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	6,952	3,886	-	-
Amounts owed by group undertakings	3,556	-	-	-
Amounts owed by subsidiary undertakings	-	-	47,139	47,139
Amounts owed by associated undertakings	4,623	4,016	-	-
Other debtors	6,175	3,762	-	-
Corporation tax recoverable	-	-	313	313
Prepayments and accrued income	693	598	-	-
Advance corporation tax	997	566	-	-
	22,996	12,828	47,452	47,452
Amounts falling due after more than one year:				
Trade debtors	4,100	6,252	-	-
Deferred taxation (Note 16)	160	695	-	-
	27,256	19,775	47,452	47,452

### 14 CREDITORS (amounts falling due within one year)

	Group	
	31 December 1994	31 October 1993
	£'000	£'000
Bank loans and overdrafts (secured)	187	30,537
Trade creditors	11,880	9,743
Amounts owed to group undertakings	38,304	187
Other creditors	23,104	19,082
Corporation tax payable	5,251	2,304
Taxation and social security creditors	1,157	269
Accruals and deferred income	7,196	5,878
	87,079	68,000

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 14 CREDITORS (amounts falling due within one year) (CONTINUED)

Bank borrowings of £187,000 (1993 - £30,537,000) and other creditors for land purchases of £19,142,000 (1993 - £14,738,000) are secured by fixed and floating charges over the assets of certain subsidiaries. Also included within other creditors is an amount for £847,000 relating to the minority interest in Charco 351 Limited which was purchased by Alfred McAlpine Developments Limited on 22 March 1995.

### 15 CREDITORS (amounts falling due after more than one year)

	Group		Company	
	31 December	31 October	31 December	31 October
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings (secured)	10,000	10,000	10,000	10,000
Other creditors	<u>14,118</u>	<u>1,109</u>	<u>-</u>	<u>-</u>
	<u>24,118</u>	<u>11,109</u>	<u>10,000</u>	<u>10,000</u>

On 31 October 1991 the company entered into a loan agreement with Alfred McAlpine PLC to borrow £10,000,000 at terms subordinated to existing bank facilities, and secured by a charge over the assets of Alfred McAlpine Developments Limited and its subsidiaries. The loan is interest-bearing and repayable in 2001.

Included in other creditors are amounts due for land purchases of £6,944,000 (1993 - £1,093,000) which are secured on assets of certain subsidiaries. Also included within other creditors is an amount for £7,169,000 relating to a bank loan repayable between two and five years secured on assets of a subsidiary.

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 16 DEFERRED TAXATION

	Group		Company	
	31 December	31 October	31 December	31 October
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Deferred tax asset (Note 13)	(160)	(695)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Group analysis of provided and potential deferred tax:

	Provided		Potential	
	31 December	31 October	31 December	31 October
	1994	1993	1994	1993
	£'000	£'000	£'000	£'000
Deferred taxation:				
Accelerated capital allowances	17	2	9	2
Other short-term timing differences	(177)	(697)	(172)	(824)
	(160)	(695)	(163)	(822)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Deferred taxation asset £'000
Movement in the period:	
At 31 October 1993	(695)
Charge to profit and loss account	537
Adjustment in respect of prior years	<u>(2)</u>
At 31 December 1994	<u>(160)</u>

It has been assumed that, in future years, group relief will be made available by the parent undertaking to enable this deferred tax asset to be recovered.

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 17 CALLED UP SHARE CAPITAL

	<u>Group and Company</u>	
	<u>31 December</u>	<u>31 October</u>
	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Authorised:		
34,333,123 Ordinary shares of 25p each	8,583	8,583
21,666,877 Ordinary 'A' shares of 25p each	<u>5,417</u>	<u>5,417</u>
	14,000	14,000
	<u>=====</u>	<u>=====</u>
Allotted, called up and fully paid:		
32,500,315 Ordinary shares of 25p each	8,125	8,125
21,666,877 Ordinary 'A' shares of 25p each	<u>5,417</u>	<u>5,417</u>
	13,542	13,542
	<u>=====</u>	<u>=====</u>

### 18 RESERVES

	<u>Group and Company</u>	
	<u>£'000</u>	
Share premium account:		
At 31 October 1993 and 31 December 1994		23,657
		<u>=====</u>

#### OTHER RESERVES

	<u>Group</u>	<u>Company</u>
	<u>£'000</u>	<u>£'000</u>
At 31 October 1993	-	-
Capital reserve arising on acquisition of McHawk Limited (see note 21).	<u>1,145</u>	<u>-</u>
At 31 December 1994	<u>1,145</u>	<u>-</u>
	<u>=====</u>	<u>=====</u>

### 19 PROFIT AND LOSS ACCOUNT

	<u>Group</u>	<u>Company</u>
	<u>£'000</u>	<u>£'000</u>
At 31 October 1993	12,203	254
Retained profit for the period	<u>4,262</u>	<u>-</u>
At 31 December 1994	<u>16,465</u>	<u>254</u>
	<u>=====</u>	<u>=====</u>

Cumulative goodwill arising on acquisitions written off to the profit and loss account in respect of subsidiary undertakings amounts to £2,963,000 (1993 - £2,963,000).

# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 20 LEASING COMMITMENTS

	31 December 1994		31 October 1993	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire:				
Within one year	23	68	130	119
Between two and five years	46	274	23	204
After five years	<u>101</u>	<u>-</u>	<u>-</u>	<u>-</u>
	170	342	153	323
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

### 21 ACQUISITIONS

On 25 January 1994 the Group acquired the outstanding 50% of the share capital of McHawk Limited which it did not previously own. Details of this acquisition are as follows:

	Book value of assets acquired and fair value to the Group £'000
<b>Assets/(liabilities) acquired</b>	
Tangible assets	202
Stocks	2,640
Debtors	244
Creditors	(2,488)
Cash	<u>1,162</u>
	1,760
<b>Consideration - paid in cash</b>	<u>(615)</u>
Capital reserve arising on acquisition	<u>1,145</u>

The McHawk business contributed £183,000 of profit after tax to the Group's result for the period.



# ALFRED McALPINE DEVELOPMENTS LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 21 ACQUISITIONS (CONTINUED)

The results of the acquired business prior to acquisition are summarised below:

	1 November 1993 to date of acquisition £'000	Year ended 31 October 1993 £'000
Turnover	-	89
Profit before tax	226	(97)
Tax	-	(380)
Profit after tax	226	(477)

### 22 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Opening shareholders' funds	49,402	48,050	37,453	37,453
Profit/(loss) for the financial period	8,540	3,303	4,278	1,951
Dividends	(4,278)	(1,951)	(4,278)	(1,951)
Capital reserve arising on acquisition	1,145	-	-	-
Closing shareholders' funds	54,809	49,402	37,453	37,453

### 23 CAPITAL COMMITMENTS

No capital commitments were in existence for either the group or the company as at 31 December 1994 (1993 - £Nil).

### 24 CONTINGENT LIABILITIES

There are contingent liabilities in respect of the guarantee of bank loans, and land purchase commitments with certain associated undertakings up to a maximum of £735,000. At 31 December 1994 the borrowings of the associated undertakings amounted to £5,763,000 (1993 - £7,522,000).

During 1992 a number of sales were concluded on contracts which granted the purchasers options to sell the property back to the company at the price at which it was originally sold. These options are exercisable during a one month period in 1995. The value of sales made under this arrangement amounted to £1,268,000.

## **ALFRED McALPINE DEVELOPMENTS LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)**

#### **25 PENSION COSTS**

The Group is a member of the Alfred McAlpine Retirement Benefits Plan (1973) which is a defined benefit pension scheme operated by the ultimate parent undertaking. Details of the scheme are provided in the notes to the accounts of Alfred McAlpine PLC.

#### **26 ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Alfred McAlpine PLC which is registered in Great Britain.

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.